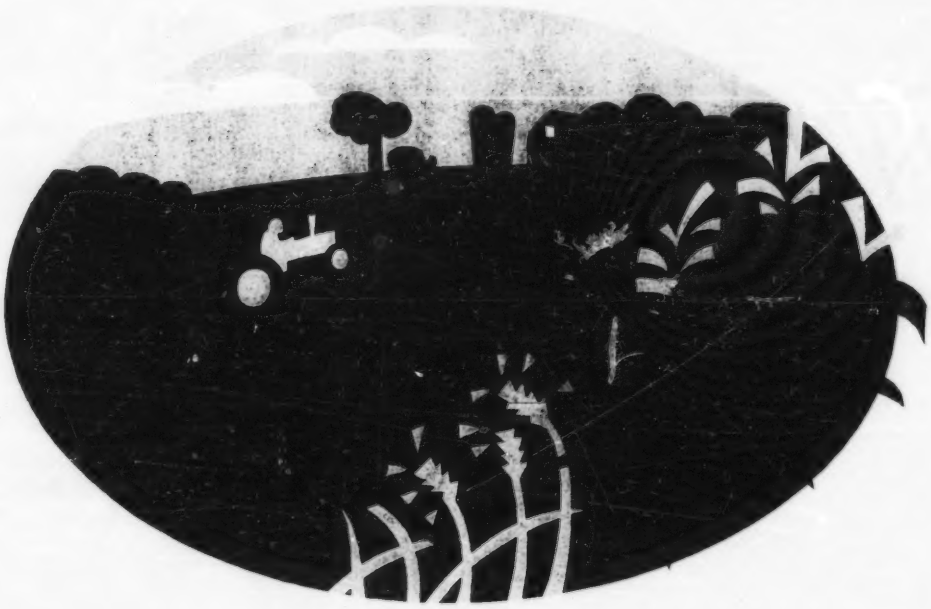
Manitoba
Agriculture
and Food

AGRICULTURAL OUTLOOK 2000

GRAINS, OILSEEDS, SPECIAL CROPS



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GRAINS, OILSEEDS, AND SPECIAL CROPS
SITUATION AND OUTLOOK SUMMARY
JANUARY, 2000

1999/2000 Review:

- Global grain supplies in 1999/2000 are virtually identical to '98/99. A drop of approximately 16 million tonnes in production was offset by large carryovers from '98/99. A 2.2 million tonne decline in wheat supplies has been offset by an increase in rice.
- Global grain and oilseed trade is expected to increase about 8 million tonnes from 1998/99. Trade is forecast at a total of 261 million, including intra-EU trade. The global export trade of grain will increase 5.5 million tonnes (wheat up about 5.5 million tonnes, coarse grains up 3 million, rice down nearly 3 million), with an increased oilseed trade of 2.5 million tonnes.
- The growth in world consumption in 1999/2000 is in rice, vegetable oils and meals. Global consumption will surpass production, decreasing carryover by nearly 10 million tonnes in grains (wheat 5.5 million, coarse grains 4.7 million), and one million tonnes for oilseeds. Global consumption of rice will fall short of production by 1.7 million tonnes, increasing carryover.
- Canadian and US yields were high in 1999, despite rains that caused a lengthy interruption in spring seeding, and a summer drought that hit coastal and near-coastal areas and much of the southern US and northern Mexico. A number of production records were reached, including Canadian canola.
- The 1998 spring drought in western Canada's Palliser triangle was followed by excess moisture in 1999 in western and southwestern Manitoba and southeastern Saskatchewan. Manitoba's summerfallow or unseeded area jumped to about 1.3 million acres, a large part of that in the southwest, crop districts 1, 2, and 3. Large amounts of land were also unseeded in North Dakota.
- Drought reduced 1999 crops in Near-East Asia, including Iran, and North Africa, causing an impact on Durum prices. Drought once again reduced Mexico's first-crop bean production, and drought continues to threaten Brazil's soybean crop. India is recovering from its major rapeseed crop reduction of the previous year. Palm oil supplies have made a major recovery from the reducing effects of weather and smoke, and have had a major depressing effect on the oilseed complex. Current dry conditions and low snowcover on US winter wheat are increasing concerns of a mid-continent drought in 2000.
- US and European agriculture supports continue to depress market prices. The US Loan Deficiency Program payments allow US farmers to fix and receive payments on production at market lows, without selling the crop. Delayed marketing may trigger a short, late-winter rally, but will put more pressure on pre-harvest markets in May/June. The US continues to use large extensions of concessional credit and aid, on about 4 million tonnes of wheat exports, rather than the Export Enhancement Subsidies. EU export rebates or subsidies compensate for the difference between internal EU prices and low external or world levels. With the low export prices, EU subsidies are still large per tonne, but the volume of subsidized exports was down 35% to late-1999, mainly because of reduced demand from a number of importers, and possibly because of high expenditures in 1998/99.
- China continues to grow in importance as an economic and currency cornerstone in Asia, an importer of wheat, barley, canola and a growing exporter of corn. China reached bilateral trade agreements with the US and Canada in late-1999 (still require ratification), which will help China's entry into the WTO.

- World Trade Organization members will continue to try to minimize areas of disagreement over the next few months to 2 year. Meetings held in late-1999 in Seattle failed to decide on an agenda. Negotiations, when they begin, could continue for 4 to 6 years.
- The Estey review of the Canadian transportation system was released at the end of December, 1998; followed by the Kroeger recommendations in September 1999. The federal government plans to implement legislative changes by the start of 2000/01.
- Economic factors: rising prices for crude oil, fuel, and ocean freight, increasing interest rates and Canadian dollar exchange (forecast by the major Canadian banks at 1.42 to the US dollar for the year 2000) are tempering international demand and prices.

2000/01 Highlights:

- Gradual economic improvements are expected in Asia (2%+) and in western economies, which should encourage increased consumption rates. A growing world population would suggest average consumption increases of 20 million tonnes or more of grains and oilseeds per year over the next decade or two.
- The likelihood of another consecutive year of growth in world yields and world production is low. Major drought cycle theories and current dry conditions have caused a resurgence in US drought concerns for the Midwest, which will add volatility to wheat and oilseed markets and provide for some pricing opportunities.
- Planted areas are expected to increase in Canada and the US in 2000/01 over 1999's cutbacks, assuming a return to normal spring planting conditions, and a reduction in unseeded areas. Any increase in the US set-aside for conservation reserve will not occur until 2002. Europe's set-aside is to remain at 10% for the next few years, but carryovers and export competition will remain high through 1999/2000 and 2000/01.
- Producers are expected to shift to lower input-cost cereals, which will likely result in increased wheat, Durum wheat, and coarse grain plantings, particularly barley and oats. Winter wheat plantings are up outside the US and spring wheat plantings are expected to increase. Rapeseed plantings will decline outside the US.
- Major planting shifts are not expected in either Canada or the US, and some increases in total seeded area are possible, if producers are able to cover early-season expenses. US winter wheat plantings for 2000/01 are put at a 1% drop from the previous fall, down 7% or 3.1 million acres. In the US, current market and program support rates suggest little shift between corn and soybean plantings. In both Canada and the US, Durum and other spring wheat, oats, barley, dry pea and lentil production may be higher, soybeans and dry beans slightly lower. US bean plantings may decline if Mexican demand doesn't improve by spring.
- Global oilseed demand continues strong, and rally potential exists. However, US soybean and EU rapeseed supplies will remain high, barring crop disaster; India and China will increase production and could reduce imports.
- The 2000/01 prospects are for general improvements from currently low world grain and oilseed prices after 1999's bottoming. Global supply cushions are still large, so rally potential will come mainly from the threat of severe crop problems. Price improvements are expected to be 5-20% in most major crops, but this would provide little improvement from current low price levels. Special crop prices are likely to be fairly flat and production maintained.
- Canada is expected to have a still-high carryover of many of the grains, but record supplies of canola going into the 2000/01crop year.

WHEAT

World wheat supplies continue to be large in the major exporting countries in 1999/2000, after three consecutive good crops. Global production is about 584.45 million tonnes, down 4.2 from '98/99, according to the USDA's January estimates (588.7 million in '98/99, 609.3 in '97/98). There are smaller 99/2000 crops in the EU, eastern Europe, the US, Near-East Asia and North Africa, but these are largely offset by increases in Canada, Australia, China, the Former Soviet Union (CIS), South America, and India. Australia's newly harvested '99/2000 wheat crop is the second largest on record (22.8 million tonnes). Argentina's new crop is up 21% after '98/99's drought (12 million tonnes vs 9.5 million in '98/99); much of the increase is exportable surplus after meeting Brazil's import demand of 6-6.5 million tonnes. Russia's crop is up to only 30.5 million tonnes (26.9 in '98, 44.2 in '97), and Russia has included feed and milling wheat in its aid requests. China, the world's largest wheat producer at 115 million tonnes, had a 5.2 million tonne increase in 1999, and its import requirements may be trimmed to only one million tonnes (1998's flood and drought-reduced crop was 110 million tonnes, with 123 million in '97/98). The EU-15 crop was down about 3.5 million from last year's record 103, but it continues to have massive exportable supplies and large carryovers, most of it softer wheats. The US crop was large at 62.7 million tonnes (69.3 in '98/99, 67.5 in '97/98).

Low prices have encouraged usage as the season progressed, with the total now expected to be close to the '98/99 high of 591.9 million. Exports are expected to jump 5.5 million tonnes to around 126 million, excluding intra-EU trade (104-105 million excluding intra-EU), and showing little growth over the past decade. Economic and political problems caused reversals in the standard of living and import capacities of a number of countries in Asia, South America, Russia and elsewhere in Eastern Europe. The effects of increases in oil, fuel and transportation costs, interest rates, and severe devaluations in foreign currencies are still being seen in world grain markets. If consumption surpasses production by 6.6 million tonnes, which the USDA is now projecting, world carryover would be drawn down to 129.4 million tonnes (136 million in '98/99), a slow tightening since the high of 139.2 million in '97/98. Much of the stocks, however, are held by the 5 major exporters, which tends to limit prices and increase competition.

Canadian farmers harvested more wheat despite a one million acre reduction in plantings (25.8 million acres, 26.8 million in 1998). Yields averaged 38.5 bushel/acre, resulting in a 26.85 million tonne crop (24.4 million in '98). About 70% of the 1999 harvest is expected to grade #1 or #2, although some downgrading occurred in the fall. Canadian wheat exports have rebounded in early '99/2000 after low exports in '98/99; however, carryovers appear likely to remain large.

Durum:

Canada's Durum crop totaled 4.26 million tonnes, after reaching a record 6.04 million tonnes in 1998. Manitoba's Durum production dropped to just 35.4 million tonnes, and supplies will be depleted before the end of July. Canadian exports moved rapidly in August/December. US Durum production was 2.703 million tonnes, a drop of 28% (3.76 in '98), despite a 6% increase in plantings attributed to high US crop insurance levels. Drought also reduced Durum crops in Near-East Asia and N. Africa, which has contributed to rising prices.

Price: After the poor performance of a year-ago, Durum has rebounded to early-season levels that are comparable with high-protein Red Spring wheat, in both the export asking price at

port and at the farm level. The '99/2000 CWB Durum pool is about $6/tonne above '98/99, but still about $70 ($2/bushel) lower than '97/98. The December PRO for #1CWAD 13.5% is at a $12/tonne premium over #1CWRS 14.5%, basis port. (For more CWB payment detail, please refer to accompanying tables.)

Outlook: Durum plantings are likely to increase considerably in Canada and the US in 2000/01 in response to this year's high demand and price premiums. US plantings could be up around 6% this year. US winter Durum acreage has already increased 3%, with Arizona and California planting 170,000 acres. If N. Dakota, the major US producer, increases acreage, US production could be up in excess of 10%. Last year's US Durum plantings were up 6% from the year before, but northern yields were poor at harvest. (Durum seeding in California began in October and continues as late as March when there is double-cropping on winter vegetable land.) Much of the international Durum market's demand strength develops if and when North Africa's producers have poor crops; crop conditions can deteriorate quickly if hot, dry winds desiccate the region's growing crops around March. With larger crops, the Durum premium would likely slip from current levels.

Other Wheat:

Feed wheat supplies are higher in '99/2000 in Canada, the US and Australia, due mainly to some weather downgrading prior to harvest. Within Canada, supplies are still fairly tight because of low carryover from previous years, but demand is strong from the off-Board market.

Price: Wheat prices in '99/2000 are close to 15% below year-ago levels. The CWB's posted asking price for #1CWRS, 13.5% protein, in early January was in the $215/tonne, compared to $250-260/tonne the previous year. Chicago's March futures was around US$2.50/bushel, compared to the $2.80-2.90 range reached the previous January and again in the nearby in the early-September rebound. The CWB pool return to the producer for 99/2000 is currently about $122/tonne ($3.30/bushel) in mid-Manitoba, down about $20/tonne from the previous year. The CWB feed wheat pool return is down about $10/tonne from the '98/99 pool in mid-Manitoba, while 3CW is down $19/tonne. Still, markets are reportedly considering feed wheat prices high relative to rye and corn.

The European Union has been slow in its use of export rebates this crop year, and the volume of awards has dropped off. With the low world prices, award levels have been still high (about US$40-60/tonne) for wheat and barley. The US continues to make extensive use of concessional credit and aid, although resisting calls to use funds that have been budgeted for the Export Enhancement Program. The '99/2000 US wheat price is expected to average US$2.45-2.55/bushel to the US farmer (US$2.65/bushel in '98/99).

Outlook:

Global wheat supplies for '2000/01 may increase slightly from current year, because of higher production in many areas of the world. Fall plantings are already higher outside the US, and spring plantings are expected to increase. In Canada, farmers planted more winter wheat last fall (1.078 million acres for harvest this spring/summer, 977,200 acres for '99/2000). Manitoba farmers planted 130,000 acres (90,000 for '99 harvest).

The US carryover from '99/2000 may be the equivalent of the entire 1999 Canadian crop! The USDA's January estimates put it at 26.46 million tonnes, or close to one billion bushels (972 million compared to 946-98/99, 722-97/98), the highest US stocks since June 1989. US wheat production for 2000/01 may be very close to current levels (within plus or minus 1%), if spring

seeding conditions are normal. Even at the lower production level, carryover could compensate. The USDA's January 12th estimates put US Winter Wheat plantings (in August to February) at 42.9 million acres, down only 1% from 1999. US Hard Red Winter is estimated at 30.3 million acres; Soft Red Winter-9.2; White Winter-3.4. Plantings of Hard Winter Wheat are up in the Dakotas, and spring wheat is likely to be up as well, assuming reasonable spring planting conditions. US wheat suffered drought stress during establishment and a low snow cover. About 6-7 million acres of Winter Wheat would not normally be harvested as grain, although for '99/2000, it was up to nearly 8 million; it is unclear if more will be lost. Spring rains have been heavy over the past 2 years, so if the crop is spared a mid-continent drought (which some cycles are forecasting), US yields may recover.

Winter wheat plantings have increased in Canada and Europe, and spring plantings will likely increase, as well. EU farm supports encourage the planting of lower-input-cost feed wheat varieties, and farmers continue to plant for the program. EU set-asides will remain at 10% for 2000/01, as in '99/2000 (5% the previous few years), but plantings may be up at least 2-3%. The UK has apparently increased fall wheat plantings 5-15%, with a 3% increase in France (some land diverted from rapeseed and peas, with winter barley about the same as 1999). Much of Eastern Europe has also increased planting, although there was about 4% less in Poland, and establishment concerns in the Ukraine. Improved snowcover has reduced winterkill risk in Russia, where wheat accounts for about half of all winter grains. China may have a small 1.5% drop in wheat plantings, but October rains relieved dryness.

Winnipeg's Agriculture Canada research station and Monsanto expect to have the first Roundup Ready hard red spring varieties by about the year 2002; adoption of the new varieties will likely depend on acceptance by major export markets.

Consumption should increase with improved economies and increased population and livestock. World population growth projections suggest an additional 7 million tonnes/year of wheat are required just to maintain current consumption levels. Prices are expected to come off the '99/2000 bottom, with the Chicago's December contract currently 18% or about US$0.45/bushel higher than the March contract during early to mid-January. Large supplies, however, will keep the world a "buyer's market" and, without substantial crop failure, will likely prevent more than a 5-15% improvement toward the '98/99 level, with rally potential depending on crop development.

COARSE GRAINS

Global coarse grain production dropped 16.8 million tonnes, to around 873.7 million tonnes (890.5 million tonnes in '98/99). The declines were in the major producing countries, including Canada, the US, the EU and China. World corn production was down about 7 million tonnes, barley down 6 million, and sorghum down about 250,000 tonnes. US corn alone dropped 8.12 million tonnes. Eastern Europe and Latin American countries had larger crops, although Brazil's corn crop has had weather set-backs. China's crops remain large since the small crops of '97/98, and there are concerns that as much as 10 million tonnes of old-crop corn in government storage may be disposed of in neighbouring Asian markets. Despite drought in the north and flooding in the south, Mexico produced nearly 2 million tonnes more.

Reductions in importer income levels and an import-substitution of meat have feedgrain exports up about 3 million tonnes from 107.8 million of '98/99, including intra-EU trade. The EU

remains both a major importer and exporter. In '98/99, the EU imported 17.1 million tonnes of coarse grains, and exported 24.25, for a net export of 7.1 million; 99/2000 imports may be down and exports up, for a net export of 8.2. Corn purchases by S. Korea, and barley by Iran and China are still expected to be high. In the US, corn use is increasing due to ethanol and sweeteners. In both Canada and the US, weather was warm through to December, slowing feed usage. Feed grain prices are low, on average, although locational supply tightness has maintained premiums on domestic usage in western Canada.

Outlook: World carryover stocks of all coarse grains are put 149 million tonnes, a drop of 4.75 million from '98/99. Production increases are expected in most of the cereal and feed grains, particularly barley and oats, with some declines in rye. As a result, coarse grain prices are likely to continue low, with only a small improvement from this year's low, at best about 5-15% in 2000/01.

CORN

Low corn prices have improved usage as the crop year has progressed. A smaller '99/2000 corn crop, and global increases in corn feed, food and industrial use, will prevent corn surpluses from growing to the extent the USDA had been predicting earlier in the crop year. Total consumption is now expected to be up more than 13 million tonnes, which will help to keep carryover to just under 110 million tonnes (108.4-'98/99). Global production is currently estimated at about 598 million tonnes (605.1-1998/99's record level), although some of the South American crops have yet to be tallied. Trade is now expected to surpass the '98/99 level by nearly 3 million tonnes.

The US harvested a 239.7 million tonne crop, still large, but down nearly 8.2 million from the 247.9 million of '98/99. Domestic US demand is at record levels, due partly to growth in ethanol production, but domestic and export use has been insufficient to draw down US surpluses. China harvested a 128 million tonne crop, their imports will be low, and exports at least 5 million tonnes. Potential competition from China is a major market concern; they have exported up to 6.2 million tonnes in the past, and some Asian traders fear China could export up to 10 million tonnes of old-crop government corn reserves this year, partly in preparation for WTO membership.

Canadian grain corn production was 8.1 million tonnes (a record 8.9 million in '98/99). Large corn crops in Ontario and Quebec have slowed eastern Canadian demand for western feedgrains and for US corn. Manitoba also harvested a large corn crop, with 95,000 acres of corn planted and about 238,800 tonnes (216,000 in '98, 152,400 in '97). Manitoba has also imported about 114-125,000 tonnes of US corn in recent year.

In February 1998, US Agriculture Secretary Glickman announced what appears to be a major discovery for corn, a naturally-occurring, mutant corn gene that halves the phosphorous (P) in monogastric (hog and chicken) manure. The USDA expects the mutant will reduce livestock supplement costs (P-rich supplements include meat, fish, bone, flax and cottonseed meal, milk by-products and wheat bran), as well as providing one solution to excess phosphorous in manure. The new varieties should be available in 2000 or 2001.

Price: The Chicago March corn futures prices were US$2.04-2.07around the end of December, early January, about 6.5% below a year-ago. Corn prices received by the US farmer are expected to average about US$1.90/bushel in '99/2000, only 2% below '98/99 (US$1.94), and

still well below '97/98 ($2.43). North Dakota farm prices in the late fall were about US$1.58, and below the local US loan rate of US$1.69-1.84, but much of the crop was eligible for a US loan deficiency payment top-up (to early December, US producers had received a US$0.29/bushel LDP on corn). In Manitoba, local top-quality corn prices have been under $100/tonne ($2.54/bushel), down about 13% from a year-ago.

Outlook: US farmers appear to be reluctant sellers at prices below the US loan rate, and this appears to have had a positive effect on their basis levels. Some price pressure is imminent over the next few months as grain is marketed. From harvest, large amounts of US corn were in emergency commercial storage, with a mandatory January 31 deadline for moving it. A substantial amount of farm-stored grain will also have to move into markets by early spring. The Chicago futures market currently reflects the expectation of about a 16% improvement in US corn prices over the coming year. Recent corn/barley ratios show a slight preference to corn planting over soy, suggesting only a small shift. US corn plantings are expected to increase slightly in 2000, but with recent carryover estimates showing a decrease, US supplies may be marginally smaller in 2000/02. Demand is expected to continue strong, and prices should recover from the current year. Continuing high stock levels and large supplies of competing cereal and coarse grains may prevent any rapid price recovery beyond about 5-15%.

BARLEY

World production of barley is the lowest in many years (131.2 million tonnes, down from 137.2 in '98/99). Canada (13.2 million) and Russia (12) had larger crops. The US (6.1), the EU (49.2), Australia (4.7), Eastern Europe (9.7), Turkey (7), and China (3) had smaller ones. The EU continues to encourage production of lower-input-cost grains like feed wheat and barley because of the non-specific "cereals" supports. In addition to a still-large crop, the EU reportedly has about 8.5 million tonnes remaining in intervention stores, and exports are expected to climb again (9 million tonnes, 7.8-'98/99, 2.9-'97/98). In contrast, world barley exports are expected to be down to 16.67 million tonnes (17.04-'98/99). Australia began exports of newly-harvested feed barley in mid-November, although dormancy requirements hold off malting shipments until February to April. China is expected to import 2.3 million (2.1 in '98/99), with perhaps 1.7-1.8 malting, and with some of the EU feed imports potentially used for malting. Japan's imports have dropped slowly, but steadily, from 1.75 million tonnes in '94/95 to about 1.45 million in '97/98 and about 1.4 million in '98/99 and '99/2000. World barley carryover will remain persistently high (24.55 million tonnes, compared to 28.54 at the end of '98/99), about half held in the EU.

Malting: While feed barley must compete with large global feed supplies, malting barley is tight in 1999/2000 and prices have improved since the fall harvest. European supplies were reportedly reduced because the low premium last fall had some growers delivering malting qualities into EU feed and intervention stocks. EU maltsters apparently have yet to cover about 1/4 of their requirements, and there is concern about tight supplies. Nearly 20% or about 10 million tonnes of the EU barley crop tends to be malting. The Australian Barley Board (ABB) estimates about 700,000-900,000T of malting barley exports to sell from their recent barley harvest. Australia generally accounts for 50% of the world malting barley exports (15% of the feed barley.)

Export demand for malting barley and malt appears strong. Demand for barley beer and for malting barley is growing in China. China has already been buying Australian new-crop malting

barley for February shipment. Eastern Europe, S. America, and S. Africa are also expected to be major malting barley importers. It is anticipated that flood damage in southern Mexico will result in up to 400,000T of imports. The EU generally sells most of its malt and allocates export licenses in October and November; however, forward sales were slow to the end of December, and the ABB estimates about 700,000-800,000T sold for export by the end of December, mostly to the major buyers. The USDA is expecting US barley imports, virtually all from Canada, to be similar to 98/99's 597,000 tonnes (748-'97/98).

Canadian supplies were tightening by the end of December, with barley exports much stronger than a year ago (the ABB was estimating 100,000 tonnes of malting barley supplies left toward the end of 1999). Most of Canada's barley exports in recent years are malting quality barley. Canadian malt exports have increased in recent years and have exceeded 600,000 tonnes annually (grain equivalent basis). Much of the world, including Asia, prefers 2-rows like Canada's Harrington, while the US is a major user of 6-Row (which Manitoba produces). Most of western Canada's barley plantings are in malting varieties, providing a large selection base. Nearly 100% of Australia's barley is two-row white aleurone types, while about ¼ of the EU malting barley is from the fall-plantings, mainly 6-row crop, the rest from the mainly 2-row spring crop.

Prices: Australia's pool estimate for the '99/2000 malting pools for Schooner malting barley is A$203-208/T. Australia's forward contract prices for 2000-01 are 18% lower, with A$168/T (Port Adelaide basis) in late December/99. Australian farmers can also get premiums for certain varieties and up to A$7.30/t for malting barley with low screenings. The Canadian Wheat Board "pool return outlook" for payment to Manitoba producers is around $145-150/tonne in mid-Manitoba for Special Select CW-6 row barley (about $126 for '98/99, but $193 in '95/96).

Feed: Feed barley must compete with large supplies of corn and feed wheat in the world market. In western Canada, export markets must compete with high demand from the domestic feeding industry. As a result, the Canadian Wheat Board has committed to supply Japan with a target of 160,000 tonnes of feed barley (200,000 tonnes committed in the 1999 calendar year), with additional amounts possible under a separate procurement system. Feed barley demand from Saudi Arabia continues to be steady at the 400,000 tonne level (1.25 million in '95/96), with no inventory build-up. Recent reports, however, indicate that other importers, particularly in the Middle East are reluctant at recent price levels and are hoping for further price drops now that the Southern Hemisphere's cereals are harvested. Turkey boosted its exports to record levels and reduced large stocks by competing pricewise with the EU in '97/98 (1.5 million tonnes of exports) and in '98/99 (1.2 million), with subsidies approaching US$95 per tonne, reportedly at great cost to the Turkish Grain Agency (TMO) budget. Turkey's '99/2000 exports are expected to fall to one-half million tonnes. Barley carryovers are essentially feed quality.

Prices: The EU is generally credited with setting the barley price scenario, with high production, high stocks, limited storage, and use of high export subsidies. Prices have been under duress since April-October, 1998, when the EC increased export subsidies 40%, and export feed barley prices dropped from about US$130-135/tonne to US$82-85/t and then to around US$75. In addition to feed barley subsidies, and the "feed" which may be of malting quality, the EC also subsidizes the domestic processing of malt, which has a negative impact on international barley prices. Europe continues to make WTO-legal use of export subsidies on barley. Early-season subsidies were around US$35/tonne (well below the high of US$85 last year, US$64-78 in the late fall), but markets fear larger subsidies in coming months, as the EU disposes of stocks

before harvest. The Australian Barley Board's feed barley pool outlook is at A$161-166/t for '99/2000.

In Manitoba, the Canadian Wheat Board's pool return estimate for '99/2000 pool feed barley, mainly for export, is C$74.87/tonne ($1.63/bushel), almost 20% below the $92.85 ($2.01) from the '98/99 pool, basis Winnipeg. Local off-board feed barley prices have been at an elevator bid or base level of around US$70/tonne, down about 13% from a year-ago, although premiums have been available for good quality, fusarium-free barley for hogs. Farm returns on Special Select 6-row malting barley are estimated at $150.41 ($3.27), which is above the previous 2 crop years. *(Please refer to the appendix for further CWB payment details.)*

Outlook: International barley prices will depend heavily on any actions taken by the EU to reduce stockpiles and increase subsidized exports. Europe is likely to continue producing large amounts of barley, while North American and Australian farmers are likely to increase plantings for 2000/01 harvest in hopes of attaining malting qualities. There have been some winter barley planting increases in Europe, and spring barley planting are expected to increase in Canada and the US. With a larger production area, and assuming favourable weather, the malting barley premium will likely decline. World barley carryover is expected to be cut to pre-97/98 levels, down about 4 million from 28.5 million in '98/99. Domestic feed barley demand will remain strong in western Canada as hog production continues to grow.

OATS

Global oat production is about 26 million tonnes, and a slight increase from '98/99 (about 31 million in '97/98 & '96/97. Crops were slightly larger in Scandinavia, smaller in Canada and the US. Canada is the world's largest oat exporter, with 1-1.3 million tonnes in most recent years (1.7 in '95/96). The EU is expected to increase exports to about 600,000 tonnes (550,000 in '98/99). The US, on the other hand, imports 1.75 million tonnes, most of the world's 2.12 million tonnes of imports. Small amounts are imported by non-EU European countries (100,000 tonnes), by Japan (about 90,000 tonnes/year), and by a number of South American countries. Northern Europe's 1999 crops are much larger, after the previous year's crops were damaged by a cold and wet summer. FAO puts the EU crop at a sizeable 6.59 million tonnes (6.31 in '98/99), Sweden's oat crop is estimated at 1.24 (1.14 in '98), with 1.22 for Finland (975,100 in '98). The EU subsidizes oat exports, with a rebate on the difference between high domestic or internal prices and low external, or international prices. (Last year, the EU was using subsidies of about US$70/tonne or US$1.05/bushel).

US imports are expected to rebound about 150,000 tonnes to 1.75 million tonnes in '99/2000. The US crop dipped, after being slightly larger the previous two crop years (2.12 million in '99, 2.41 in '98, 2.56 in '97). US imports of high-quality food and pony oats have tended to be 1.5-1.9 million tonnes. The annual US use of oats for food, mainly in breakfast cereals, appears to have remained fairly constant over recent years, at around 1.4 million tonnes. US feed use of oats, however, has dropped to 2.5-2.6 million tonnes. US carryover stock levels were high in the last 3 crop years (about 1.04 million in 1998/99, 1.07 million for 1997/98, and 962-968,000 tonnes in 1995/96 and 1996/97). Australian oats entered the US market for the first time in 1999, increasing Canada's competition. The EU continues to export Scandinavian oats to the US, in competition with Canadian oats, with the help of export rebates or subsidies, and this is expected

to become a trade issue at the WTO.

Canada's 1999 oat crop was 8% smaller (3.64 million tonnes, 3.96 in '98/99). Manitoba's crop was down 17% to 854,400 tonnes. Total domestic usage and exports were close to year-ago levels to late-December. Western Canadian oat processing capacity has increased dramatically. The capacity of the Can-Oat Milling plant at Portage la Prairie was doubled to about 34,000 tonnes/year (250,000 pounds/day) by July, 1998. Can-Oat's Saskatoon plant, with a capacity of about 102,000 tonnes/year (750,000 pound/day) opened in December, 1997. Canada imports about 5-600 tonnes of oats from the US, but also eats a large amount of oatmeal and processed oat cereal produced by US companies. Domestic Canadian oat milling to late-December appears to be up about 50% from a year-ago. Canada is the world's largest oat exporter, and in 1999/2000, could account for about 1.3 million tonnes out of the world total export of 2.12 million.

Price: Global oat prices in '99/2000 are up slightly from year-ago values, although still considered at low levels for feed energy. The Australian (ABB) estimate for standard pool, 1 feed oats is estimated at a gross return of A$115-120/tonne, with Milling oats estimated at A$128/ tonne (up $20/T from '98/99). In both 98/99 and 99/2000, US supplies have been large, cutting into the premium paid for milling oats. At Minneapolis, prices were plus or minus US$78/tonne (US$1.20/bushel) in the fall, jumping over $82 ($1.25) before year-end, compared to US$85/tonne (US$1.31) in December/98, and still well below '97/98. Manitoba prices were generally around C$100-107 (C$1.55-1.65/bushel) in early '99/2000 ($1.60-1.80 much of the previous year) for milling quality. Manitoba's feed oat prices around the end of December were in the C$80-82/tonne area ($85-90/tonne a year-ago).

Outlook: Oat prices in 2000/01 should improve, along with other coarse grains, potentially 10-20%, which leaves it at still-low levels. US oat futures in January were indicating a 13% increase for Dec/2000 over the nearby values. The resumption of a milling premium will require a drawdown in US and competitor high-quality carryovers.

RYE:

World production of rye has been down slightly over the past two years, with about 20.35 million tonnes in '99/2000 (20.9 in '98/99, 25.03 in '97/98), well below the 37.9 million of '90/91.

The EU produces 25-30% of the global rye crop and has been producing at higher levels of close to 6 million tonnes since '95/96. EU production in 1999 was 5.8 million (6.36 in '98/99, 6.04 in '97/98). There are smaller 1999 rye crops in Scandinavia, with 122,000 tonnes in Sweden (160,500 tonnes in '98/99), and 32,000 tonnes in Finland (49,000). Although rye is heavily used as a feed grain, it has a major use in whole-grain products or in bread across northern Europe. The former Soviet Union was a major market for Canadian rye in the past, but supplies from Germany and/or Finland have replaced much of Canadian product, with shipments heavy in late-1999. EU food aid to Russia tends to include rye. Major export markets also include S. Korea, Japan, and China. Cost-conscious importers are shifting from higher-priced feed wheat to lower-priced rye and corn. S. Korea purchased large amounts of EU rye (normally buys 2 million tonnes of feed-quality wheat and 8 million tonnes of corn, mostly US).

Europe's domestic rye demand is also met almost entirely by European production now, much of it from Germany or Finland. Current EU rye supplies are ample. EU carryover from '98/99 was about 4 million tonnes (normally about 2 million), putting surpluses into export or government "intervention " stocks. The expansion of the EU into Eastern Europe is expected to result in much

larger EU rye production potential. In the short-run, however, sizeable European exports of low-prices intervention rye into countries like Poland have disrupted local markets and trade relations by December.

Australia also produces a large amount with an estimated 1.22 million in '99/2000 (1.24 in '98/99, 1.59 in '97/98).

In North America, the rye content in the more common light rye breads is about 20 pounds of rye for 340 pounds of bread (one-cup rye to 17 cups dough). There is little Canadian production of dark rye bread or of consumer-packaged fine or coarse-milled rye flour, partly because of the effect of rye's oil content and flavour on the milling process, although niche market domestic demand appears to be increasing. Rye contains substantial amounts of soluble fibre. Rye's flavour is required in rye whiskey manufacturing, although rye comprises only about 5-6% of the grain mix or mash. Clean rye as a feed tends to be used primarily in mature hog rations.

Rye as a cover or nurse crop may also have some benefits in reducing pesticide use and in biological pest control. Fall-planted rye can be used as a minimum tillage and nurse or ground-cover crop. Agriculture Canada research in Ontario has shown that rye residue provides protection for processing tomatoes from late spring frosts, summer heat, wind-erosion on sandy soils, prevents some nitrogen leaching, provides a habitat for ground beetles that are prey on the Colorado potato beetle, and has a scent that apparently confuses the potato beetle's tomato-eating habits.

US rye production increased 50% between 1998 and 1997! A drop of 10% in rye harvested for grain in 1999 still resulted in a large crop of about 279,000 tonnes (309,000 in 1998, 207,000 in 1997, 227,000 in 1996). Only 22-27% of the total rye acreage of 3.17million (1.57) is harvested for grain, with the rest used as forage or cover crop. The US uses about 210-240,000 tonnes for food and beverage industries, and about 125,000-185,000 tonnes for feed. Approximately one-third of US domestic rye requirements have been met with imports from Canada and/or Scandinavia. US imports dropped to only 40,000 tonnes in '98/99 (much lower than the 100-102,000 tonnes that had been expected), but are expected to increase to about 75,000 tonnes in '99/2000 (118,000 in '97/98, 137,000 in '96/97). US fall rye plantings for 2000/01 harvest are expected to be close to the 1.57-1.58 million acres planted the previous 2 years (up from 1.4 million in '96).

The Canadian rye harvest rose again in '99/2000 to 386,600 tonnes (398,100 tonnes in '98/99, 300,000 tonnes preceding years). In contrast, Manitoba's 1999 rye crop was down to 76,200 tonnes (106,700 in '98, 62,200 in '97). Canada's rye exports are generally split between the US and Japan, with small amounts to South Korea. Exports and domestic consumption have moved slowly over the past 2 years.

Price: European rye was reportedly priced as low as US$75/tonne at Korean ports, in October-November, 1999, after a US$65/tonne export subsidy. Rye is expected to be substituted for other feedgrains, including US corn and feed wheat, despite its lower feed value. The US$75/tonne price of rye in Korea compared to US corn at around US$105 and feed wheat at US $110 (C&F).

Canadian rye supplies continue to be pressured by lower prices other coarse grains, and the lower demand in the US. Rye has not been traded on the Winnipeg Exchange since 1995. Local Manitoba rye prices for rye destined mainly for the US milling market (with good falling numbers) have normally priced double the value of other sales of #1 or #2 rye. In '99/2000 and '98/99, however, there appear to have been few milling premiums offered, and top-quality has generally been $63-77/bushel for good #1 or #2 in Manitoba. Feed qualities have been $47-

63/tonne ($55-63 for good feed in early '98/99, $80/tonne or $2/bu for feed and $3.50-/bushel for milling quality in '97/98).

Outlook: Canada's fall rye plantings for 2000/01 are down 19% to 417,900 tonnes (515,900 acres planted for '99/2000). Manitoba's fall rye plantings for 2000/01 are down 30% to about 60,000 acres, with increased plantings in the Southwest, but reduced plantings in much of the province (85,000 acres in for 1999/2000, 120,000 for 1998/99). With the lower prospective supplies, rye prices in 2000/01 should improve in the area of 5-15%, still at very low levels. The resumption of a milling premium will require a drawdown in US and competitor high-quality carryovers.

OILSEEDS

International oilseed supplies continued to increase in size in 1999/2000, with production estimated at a record 297 million tonnes (293.6 million in '98/99, 286.8 in '97/98). The global soybean crop is smaller, but sizeable increases in palm oil and in other oilseeds have created an oil "glut". South American soy crops are larger, with Brazil's March/April crop projected at 31-31.8 million tonnes (30.76 in '98/99), after rainfall in early to mid-December improved yield potential. World soybean production is estimated to be down about 5.2 million tonnes (153.7 in '99/2000, 158.9 in '98/99). World rapeseed production is a record 42-43 million tonnes (36.7-'98/99, 33.5 -'97/98), with record crops in Canada (8.6 million tonnes) and the EU (11.3 million). Cottonseed is higher at 33.8 (32.9). Sunseed production is put at 27 million tonnes (25.9), with a large Canadian crop, and smaller crops in the EU, Russia and the Ukraine. Palm oil production has recovered from the effects of weather and man-made environmental disasters and could reach 20.6 million tonnes (19.32-'98/99, 17.07-'97/98).

US soy plantings were at a record level in 1999. Yields and oil content were cut by late-season drought, and the crop is put at 71.93 million tonnes, down 4% from '98's record (74.6). Carryover is forecast at 9.93 million tonnes (9.48 in '98/99), a doubling in the stocks/use ratio since '95/96. Lower grain returns and US government programs contributed to an increase in US soy plantings from 62.6 million acres in '95 to 74.1 million in '99, while the US farm price dropped from US$7.35/bushel to the current projection of US$4.50-5.00/bushel. The 1996 US farm bill brought in per acre "transition" payments, but allowed farmers to plant other crops, including soybeans, on former wheat "base". Loan Deficiency Payments of about US$0.95/bushel on soybeans will help to keep US plantings and carryovers high. As of December 8, USDA reported that US farmers had already taken $1.5 billion worth of LDPs on 60% of the US soy crop (LDPs for sunflowerseed-$68million, canola-$32 million, and flaxseed-$7 million).

China's current import policies favour oilseeds for their crushing industry, with a value-added tax on soymeal, and a lack of vegetable oil import licences. China's rapeseed imports for '99/2000 are forecast at 2.4 million tonnes. India, in turn, favours oil imports, and became the world's largest edible oil importer with 4.14 million tonnes of imports in '98/99 (60% palmoil, 20% soyoil, 13% sunoil, 6% rapeoil). India's import demand may be down somewhat, but a continuing strong consumer demand, and phytosanitary barriers against soybeans, is expected to keep imports high.

Mandatory labeling of Genetically Modified crops will begin within the next year or two in a number of countries, as a result of consumer demand. To date, low prices are felt to have largely offset the effect of the GMO issue on sales. A number of processors and food

manufacturers, however, have or are switching to voluntary labeling in advance. The demand for identity-preserved, non-biotech soybeans is still small, compared to total exports. In December, the American Soybean Association was expecting non-biotech soybean demand, in the year 2000, to be about 200,000 tonnes from the EU, with 5-700,000 tonnes from Japan, with little or no forward contracting by other countries. So far, 80-85% of EU and Japanese demand is expected to still be non-segregated varieties for feed, and unaffected. Roundup Ready® soybeans are the only US biotech soybeans grown commercially grown in 1999 or in 2000, they have import approval from the 37 countries that require clearance for biotechnology-derived crops, so there are no legal restrictions that affect their exports.

Price: At Rotterdam, vegetable oil prices dropped up to 35% from year-ago levels, slipping steadily from the US$600-plus levels of '97/98 and early '98/99. Rotterdam prices for soyoil were around $401 early in the fall of '99, with Malaysian palm losing its premium and falling to about $50/tonne below soy, with rapeoil about $10 below, and sunseed at a $75/tonne premium. Linoil was around US$445, a drop of 37% over the year. Protein soymeal prices in Rotterdam dropped 38-44% over the year!

Outlook: Soybeans appear to have some rally potential. Futures markets suggest some seasonal improvements during the current crop year and prices about 9% higher by next January. Global demand for vegetable oils and meals is strong, but supplies are large. The growth in palm oil supplies is expected to show a seasonal slowing early in the new year. US farmers are reluctant marketers, and prices will likely rally periodically to obtain deliveries, particularly prior to the March/April Brazilian harvest.

US government programs are expected to keep US soybean plantings high, despite low market prices. Recent corn/soybean price ratios do not suggest more than a small shift in swing acres into corn; however, improved spring weather could result in an increase in overall US plantings, including soybeans. US soybeans tend to be most at risk if weather turns hot and dry in the mid-summer, so weather rallies are likely, particularly given the recurring drought forecasts.

CANOLA

Many of the world's major rapeseed/canola producers had record crops in '99/2000, bringing global production to an estimated 42.7 million tonnes (36.7 in '98/99, 33.4 in '97/98). Australia's canola crop has climbed steadily from about 300,000 tonnes in 1994/95 to about 2.1 million in '99/2000. Australia has exported non-biotech canola to both Japan and the EU. Europe's imports of Canadian canola have essentially been blocked by France for the past 3 years, with another year to go on the 2-year moratorium that was proclaimed on all genetically modified (GMO) rapeseeds.

China is again expected to keep world trade high, with nearly one-quarter or 2.4 million of the 7.5 million tonne total destined for China. China's rapeseed production more than recovered in 1999/2000, growing to a record 9.8 million tonnes (8.3 in '98/99, 8.6 in '97/98). China purchased large amounts of canola from Canada in the fall of 1999, as in 1998. By year-end, purchases appeared to slow, and two boatloads of canola were reportedly cancelled in December. Markets are awaiting further buying in the new year. India's crop is about 6 million (5.8 in '98/99), but large imports of edible oils, including canola (which comprises only about 6% of oil imports) are still expected.

Japan crushes roughly 200,000 tonnes of canola per month. In Japan, canola oil is

excluded from mandatory labeling. Nevertheless, Jusco, the 3rd largest supermarket operator, will GMO-identify all of their private label products (GMO is used, GMO is not used, and/or unknown). Jusco's private label non-GMO canola oil (from Australian canola) currently has about 10-20% of sales volume and is sold at about a 34% premium over national brand canola; "unknowns" comprise about 30-40%. In the summer of 2000, Japan will start the first futures contracts for non-genetically-enhanced soybeans (lot size and contract specs have yet to be announced).

The US harvested about 618,550 tonnes of canola in 1999 (706,610 in '98, 355,100 -'97) and 2,300 tonnes (2,880, 790 tonnes) of high-erucic rapeseed. Acreage was down about 3.5% after nearly doubling in the previous two years. Northern US farmers planted about 1.076 million acres of canola and 4,600 acres of rapeseed in '99, much of which has tended to be with Canadian seed. Approximately 750-770,000 acres are within proximity of the N. Dakota Velva crusher, but that should leave the crusher in need of Canadian imports by mid-winter, if crushing margins improve. Northern US farmers were heavy shippers of canola to Manitoba's Altona plant in the fall (and they were able to collect a Loan Deficiency payment). The farmer-owned, Carrington, ND, cold-press crusher, built in 1997, is also capable of crushing a variety of oilseeds, including members' canola. (The US was apparently exporting canola to Europe in '98/99!) A number of seed treatments, and in particular, "Lindane", a seed storage treatment, are not allowed on exports to the US after June 1, 1998 or to Europe. US imports and consumption of canola oil in '99/2000 are expected to be higher, substituting for some soyoil.

Canadian canola production reached a record 8.8 million tonnes in 1999 (7.64 million in '98/99). Despite reduced and late plantings in Manitoba, 1999 yields were extremely good in central and eastern areas. Canadian farmers have shifted rapidly to biotech canola varieties, which represented an estimated 25% of the crop in '97, 50% in '98, with an estimated 66–75% in '99. Manitoba farmers planted approximately 28.4% of their 1999 canola acres to conventional varieties, 64% to herbicide tolerant varieties (57% in '98, 38% -97, 14%-'96). Exports started slowly this crop year, and there were rail transportation and port storage allocation problems, but they increased by the end of December to approach last year's 2.29 million tonnes. This crop year and last, China has rivaled Japan as Canada's major export canola market. Canada's domestic processing was down slightly during August/December. Oil margins are somewhat improved since last spring, but are not considered good by the crushers. Nevertheless, oil and meal exports, particularly to the US, are expected to be higher. Manitoba's third crushing plant at Ste. Agathe is reportedly up for sale.

Prices: Canola prices continued to sag throughout 1999, despite a continuing weak Canadian dollar. World supplies of vegetable oils, particularly palm, have changed from a tight situation to a "glut". At the local Manitoba elevator, canola prices had slipped to the $220/tonne ($5.20) level by December/99, from $320-330/tonne in August, 1998 ($7.30/bushel) and well below what has long been considered the "breakeven" at $8/bushel). Although many Manitoba producers had pre-priced a portion of the '98/99 crop at higher price levels, little appears to have been pre-priced in 1999, since prices started to drop quickly from January/99 on. Higher yields have helped, but post-harvest marketings were slow to pick up. Although local prices for 44% protein soymeal were up briefly to around $254/tonne in November, prices have been closer to $230/tonne for much of the year, with canolameal mainly $150-155 since summer.

Outlook: Canada's canola plantings are expected to decline in 2000/01, in favour of increased grain plantings. In Manitoba, the total canola acreage may increase over last year's water-induced planting cutbacks, particularly where there may be major weed problems. Europe

appears to have some reductions in winter rapeseed plantings, particularly in France, and in the UK (where they may be down as much as 20%), in favour of wheat. In China, a farmer survey pointed to an increase in winter rapeseed crops. If biotech varieties become more of an issue by spring, traditional seed may be in increased demand; however, at this point in time, segregation appears unlikely to occur.

Futures prices for both canola and soybeans are showing price improvements over the coming year. The Winnipeg Commodity Exchange contract for canola has recently shown about a $20/tonne or 7% increase in year-ahead futures, compared to about 8% in US soybeans, both to some extent based on the assumption of decreased plantings, and increased world demand. Current population projections suggest a growth of about 2 million tonnes of meals, 1 million tonnes of oils, in upcoming decades just to maintain recent consumption levels.

FLAXSEED

World flaxseed production is larger in 1999, potentially 3 million tonnes, according to European estimates (2.7 million in '98/99, 2.32 in 97/98, 2.4 million in '96/97). Argentina's production, to be harvested in December/98 and January/99, is so far expected to be about 10,000 tonnes above last year's 75,000 tonnes. Argentina's production has drastically fallen off from the 514,200 tonnes of '90/91. China is the world's major producer, and is expected to have produced about 420,000 tonnes in both '99/2000 and '98/99 (393,200 in 1997), with India's remaining around 300-320,000 tonnes.

Europe has been encouraging large flaxseed planting increases through the CAP farm program for many years, but the growth has been fairly slow until recent years. A 535,000 tonne EU-15 crop is estimated for '99/2000 (442,000 in '98, 391,700 in '97, 327,800 in '96), according to FAO estimates. Germany, the Netherlands, the UK and Belgium have all increased their crushing of flax or linseed.

The 1999 US flaxseed harvests are expected to be close to 1998's 94,190 tonnes (61,470 in 1997, 40,700 in 1996). Plantings were large in 1999 and 1998 (336-343,000 acres, more than doubled from 151,000 in 1997). About 88% of the US crop are in North Dakota. The larger production has sharply reduced US imports of Canadian flaxseed.

Canada's flax production was still high in 1999 after the major increase of in 1998, to (1.05 million tonnes, 1.08-'98, 895,400-'97). Manitoba's production was down 25% in 1999. Flaxseed exports sagged in the August/December period. Importers of Canadian flaxseed have tended to be the US, the EU, and some to Japan, China and Korea. Edible types of flaxseed now produced in Canada are not necessarily reported in all the official statistics; however, European sources state that virtually all the edibles (Solon) are being exported and crushed in Europe.

Price: Flaxseed prices have been at extremely low levels through 1999, with the March Winnipeg Commodity Exchange futures ending 1999 close to $220/tonne, compared to about $340 at the start of the year. At the Manitoba elevator, flaxseed was under $200/tonne before Christmas, down about $100/tonne over the year. Linoil in Rotterdam had dropped to US$435/tonne in late December ($665 Dec/98, $610 Dec/97).

US flaxseed is considered a "minor" oilseed and is eligible for a national loan rate of US$9.30/cwt (US$5.21/bushel) and for a Loan Deficiency Payment that compensates when market prices fall below the loan. At the N.D. county level, the loan rate becomes US$4.75-5.66/bushel (US$8.49-10.11/cwt), 30-55% above the November farm price of US$3.65 (about

C$211/tonne). To early December, US farmers collected US$7 million in LDP payments for flaxseed. Manitoba elevator bids were around C$204-211/tonne in November, very closes to average N.D. farm values.

Outlook: The US Loan Program appears to be having a price-setting and negative effect on local markets, and US producers may continue to plant for the program. In contrast, the December/January harvest of Argentine flaxseed has had less of a seasonally depressing effect as their production declined. It may be profitable for Europe to resume buying in the spring (for Thunder Bay shipment), even if their inventories are large, in the expectation of a planting reduction and the Canadian dollar improvement that banks have been forecasting. Although flaxseed is an amazingly storable crop, Canadian carryover will be high and production will likely be reduced in Canada and Argentina.

SPECIAL CROPS

FIELD PEAS

In '98/99, peas had benefited from damage to foreign pulse crops; however, in '99/2000, world bean and chickpea crops are larger. Global production of dry peas in '99/2000 is estimated by the FAO to total just slightly less than last year's 12 million tonnes.

Australia's pea harvest was still on going in December. Australia is targeting markets in Asia and Pacific Rim countries with a white pea for flour, at a premium to Canadian yellow peas.

Pea crops in southern Europe (France and the Ukraine) are expected to have been larger, with some reductions in the north. Europe has been buying Canadian and Manitoba feed peas, and historically has been a major customer of Canadian food peas. Europe's rejection of genetically modified US soybeans and corn is expected to have a positive impact on the demand for peas as substitute high-protein feed. Europe continues to have large supplies of feed wheat that are competing with feed peas, but in addition, the Netherlands, a major feed compounder and user, had its hog herd reduced and is not likely to allow significant expansion. Europe's pea crops are harvested in July, so Manitoba producers' spring sales opportunities into this market tend to focus on early May, with shipment through Thunder Bay, and with prices related to European new-crop prospects. France's pea exports are reportedly competing with low prices against Canadian and US peas into the Indian subcontinent in '99/2000.

India and South America are expected to continue to import food-quality peas for flour, etc., and it is hoped feed-quality exports will increase, particularly to Latin America. The Canada/Chile Free Trade Agreement provides an 8% tariff on Canadian food and/or feed peas, and hopes are that the tariff on feed peas will be reduced to zero, as for soymeal. Large-scale USDA (CCC) purchases for foreign food aid had been slow since the high prices for peas and lentils during '96/97's short crop; however, about 14,000 tonnes of peas were included in late-'99 CCC purchasing tenders. (The CCC has a longer-run policy objective of shifting to aid through foreign credit financing and investments, rather than through commodity aid shipments.)

North American field pea crops declined in 1999, at a time when food demand for peas has been slow. The US dry pea crop was 14% smaller with 281,600 acres planted (323,400 in '98),

and a crop of 260,727 tonnes or 5.75 million cwt. (304,454 tonnes in '98).

Western Canada has another large dry pea crop (2.25 million tonnes) following the '98 record dry pea crop (2.34 million). Manitoba's acreage dropped and the crop was more than halved (92,000 tonnes, 223,200T in '98, 178,300T in '97). Manitoba's own hog production has provided an outlet for locally-grown peas, with some going directly off-farm into hog feeding, providing some offset to limited feed barley and wheat supplies. Newer, higher-yielding varieties of peas are becoming available in Manitoba as well as in the northern US. Seed treatments for seeding diseases and seed rot are generally recommended. Upcoming varieties should be more resistant to powdery mildew.

Manitoba's Portage la Prairie pea processing plant reopened in the spring of 1997. A Parrish and Heimbecker Ltd. (P&H) processing plant in Saskatoon is expected to supply the Portage plant with 5,000 tonnes of pea starch and protein products per year for refining. (P&H purchased the former Woodstone Technologies plant, April 1, 1997.)

Price: Pea prices have weakened along with feedgrains over the past few years, and may be considered in feed rations, potentially with canola or canolameal in substitution for soymeal! The Winnipeg Commodity Exchange pea contract has shifted to Canadian feed peas. US cash pea prices over the past several years have been more closely influenced by Chicago soybean and soymeal prices than in earlier periods; however the lower US supplies and the greater acceptance of feed peas has resulted in higher price in '99/2000. The inclusion of peas in USDA aid shipments will likely help prices in the new year.

Post-harvest, 1999, Manitoba prices for peas were 5-6% higher than a year-ago. November to December prices to the producer for #1Canada yellow peas were in the $156-165/tonne or $4.25-4.50/bushel range ($128-156 or $3.50-4.25 in Nov/Dec/98, $167-239 or $4.55-6.50 in '97, $211-245/T or $5.75-6.67 in 96). Green peas #1 were $156-165 or $4.25-4.50 ($147-175 or $4.00-4.75 in '98, $224-294 or $6.10-8.00 in '97, $235-275 or $6.40-7.50 in '96). The previous year's prices for a very limited supply of Maple peas were at a 50cent/bushel premium over the top yellow price ($184/tonne or $5/bushel, $419 or $11.40 - '97, $334 or $9.10 -'96). Feed peas were $128-138/tonne or $3.50-3.75 with some up to $4 and destined for eastward shipment ($110-121 or $3-3.30 -'98, $158-174 or $4.29-4.75 -'97, $184-211 or $5-5.75 -'96). Specific varieties of the small yellows tend to be around large yellow prices.

Outlook: Europe's pea crops are harvested in July, so Manitoba producers' spring sales opportunities into this market tend to focus on early May, with shipment through Thunder Bay, and with prices related to European new-crop prospects. The prospect of feedgrains and high protein feed alternatives continuing at fairly low price levels through 1999/2000 and 2000/01 may be a continuing disincentive to pea producers, particularly when aiming for food market prices. As pea yield potential increases, per acre returns should be considered. A strong demand for export, aid, and feed should reduce carryover levels going into '2000/01. Canadian and US pea plantings in 2000 are expected to increase slightly, which could keep pea prices close to current levels.

BEANS, DRY

Global 1999 bean production may be at record levels of well over 19 million tonnes, according to FAO estimates (17.6 million in '98 and under 17 million in '97). In the previous two

years, 1998 and 1997, weather disasters in the fall, including hurricanes in Latin America, increased demand and prices for the limited amounts of North American beans, and supplies were drawn down quickly. Producers responded with increased plantings.

There are substantially larger bean crops in most major producing areas, including Canada and the US, with smaller crops in China and early-season beans in Mexico. Myanmar (Burma) grew less than 1/2 million tonnes of beans before '92/93, but is now a major exporter. Myanmar's '99 crop is about 1.23 million tonnes (1.08 in '98/99). India's crop is also larger (4.66 million, 4.11 in '98/99). Brazil and Argentina have bean crops totalling about 3.23 million tonnes (2.48 million in '98/99). China may have the smallest bean crop since the early '90's, at 1.11 million tonnes.

US bean production is up 6% in '99, with lower acreage but better yields, totalling 1.51mln tonnes or 33.2mln cwt (1.38mln tonnes in '98/99). The 1999 US dry bean crop was: 22% navy, 33% pintos, 2.5% pinks, 7.2% kidneys, 10% blacks, and 2.7% small reds.

Mexico had another crop disaster in the fall of 1999, and production from its two crops may be reduced between 200,000T to 400,000T from 98/99. A USDA crop tour estimated the fall/winter 1999 crop at about 690,000 tonnes (908,000 in 98/99). Last spring's crop was 445,111 tonnes, and Mexican farmers are likely to try to match or increase production (USDA predicts 296,000 tonnes in spring 2000). There was severe late-summer-'99 drought in 2 northern states, Zacatecas and Durango. Zacatecas produces about 30% of Mexico's bean crop, mainly light-coloured beans (Flor de Mayo and Flor de Junio), and is Mexico's largest black bean producer. Durango accounts for about 10-12% of the country's beans. Chihuahua, the major pinto grower, was unaffected. Southeastern Mexico, Velacruz state, meanwhile, lost about 10% of Mexico's total 99/2000 rice crop and was still flooded by November, 1999.

The USDA credits a generous and rising NAFTA tariff-rate quota with an expanding bean market into Mexico and is looking for increased production and exports in coming years. Canada was not able to obtain an agreement to increase its regular quotas. The US initial quota has grown from 50,000 tonnes in 1994 to 56,963 tonnes for 1999. Canada's quota has grown from 1,500 to 1,739 tonnes. Mexico, however, has the option of emergency, over-quota purchases, which Canada can fill.

The USDA has been predicting a rush of import bean buying by Mexico in December, or January, 2000, with a total of as much as 150,000T of imports for 99/2000. In January, 1999, however, Mexico chose to delay the auction of import certificates for calendar-year/99 trade, and that prevented most US dry bean movement into Mexico during Jan/July/99, creating a "drag" on US pinto and black bean markets. August 30th, Mexico had an auction for 48,000 tonnes of duty-free imports. Mexico is reportedly attempting to halt "smuggling" of illegally imported dry beans, perhaps partly caused by slow processing of imports under the current tariff-rate quotas (TRQ). Mexico's Agriculture Department (SAGAR) now controls imports (CONASUPO, the state buying agency, was disbanded in 1999). By early Nov, Mexico was still about 10,000T short of its TRQ commitment. (Mexico's bean imports in July/June '97/98 were 140,000T, down to 56,000T in 98/99.)

The Canadian bean crop is pegged at a record 284,500 tonnes (185,100 in '98, 160,500 in '97, and a disastrous 133,000 tonnes in 1996). Manitoba's bean production more than doubled to 121,600 tonnes (72,100 tonnes in '98). A fair amount of Manitoba's 1999 production was contracted either before Christmas 1998 or in the spring of 1999 at higher levels than the current spot price. Much of the contracted beans moved to dealers and/or the export market prior to the onslaught of freezing temperatures (which tends to split beans if they are moved).

White Beans: More than half Canada's bean crop is white pea or navy beans (149,100 tonnes, 73.9 in '98). Manitoba grows more white pea beans (72,600 tonnes) than Eastern Canada (70,100). US white bean production was much higher than earlier expected, with pea or navy beans up 88%, Great Northerns up 14%, and small whites up 87%. Argentina's Alubias (similar to Great Northerns) have apparently been reduced by wet weather. Although white or light in colour, the larger white beans, like Great Northerns, are often classed as "coloured".

Price: In Manitoba, unusually early pre-planting contracts for a portion of 1999-crop white pea or Navy beans were in the 24-28 cents/pound area. By mid to late-November '99, the cash bid price to the producer had dropped to the 20-22 cent area (26-29 a year-ago, 17-17.5 –'97, 25-28 cents –'96).). There was a small amount of Great Northerns grown in Manitoba in '99, and some brought in from North Dakota, with a base price to the farmer of 22-28 cents.

Coloured Beans: Western Canada's coloured bean crop is large at 135,400 tonnes (111,200 in '98). Manitoba grew about 49,000 tonnes of coloured beans, about 60-65% Pintos, 20% Blacks, 5-10% Pinks and about 5% small Reds and others.

US coloured bean yields were good, and production did not fall as much as plantings. The US Pinto crop was down 25% from '98, pinks are down 15%, light red kidneys up 22%, dark kidneys up 24%, cranberries up 51%, and small reds up 36%. The US Black bean crop is down 5.4%, but still about 60% larger than '97, and carry-in was reportedly large. Argentina grows little more than 300,000-320,000 tonnes of beans, but has a larger black bean crop for '99/2000. Mexico's bean production is most drought-affected for black and some light beans, least for pintos. Mexico's SAGAR is requesting Chihuahua growers to offset some of the northern losses by planting blacks and Flor de Mayos for the summer harvest. Mexico's consumption preferences are for brown and pintos in the north, Flor de Mayo and Canario in central areas, blacks in the south. In general, Canadian and US coloured bean exports tend to go into Latin America, with Pintos and Reds often into the Mexican market, Browns and white pea or navys to Europe.

Price: US prices are holding at low levels, and in Argentina black bean prices reportedly hit historic lows. Mexico's farm prices are up 25% since the beginning of harvest within Zacatecas, with Flor de Mayo and Flor de Junio beans about US21-27¢/lb, and with black beans US28-33¢/lb by late-October/early-November!

Unusually early contract offers on a portion of 1999 production could have been priced in November 1998 in Manitoba around the 30cent level for most coloureds. Manitoba prices on coloured beans are also down, with Brown beans about 20 cents (29 a year ago, 19 two years ago, 33-35 three years ago), Pintos at 17-21 (23.3-27, 20-24, 25-28). Blacks had dropped to 19-22 (39-45, 23-30, 26-27). There are few Pinks in Manitoba, with a producer price of about 16-22 (29-30, 25-28,35-36). Small red Mexican beans (or Adzukis) generally ranged from 21.3-28 cents (34-39 a year-ago), cranberry beans were 20-25 (34-39 a year-ago), with light red kidney beans 25-31, dark reds 27-33 (40-42, 27-28, 32-45 cents).

Chickpeas or Garbanzo beans: World chickpea production increased dramatically in '99/2000. There are two main types of chickpeas, Desi (85-90% of world production), and Kabuli or garbanzo beans (10-15%). Desi varieties are small-seeded, irregular and wrinkled, white or coloured (green, purple, brown or black; green, black or brown dehulled), need 95-105 days to maturity, and may be substituted for green or yellow peas, split, milled into flour, made into noodles, cooked, mashed, roasted, sugar-coated, etc. Kabuli varieties are large-seeded, cream to white, require 100-110 days to maturity, and are used in soups, salads, or ground into flour.

India alone grows 60% of the average 8.3 million tonne world chickpea crop. Desis are produced mainly in India, Pakistan, Burma, Bangladesh and Australia. Kabuli varieties are produced in Turkey, Syria, Iran, Mexico, Ethiopia, the US and Canada.

The largest exporters are Turkey and Australia (160,000-165,000 tonnes/year), Mexico (about 80,000 tonnes) and Syria (about 30,000 tonnes). The major importers have been India (about 150,000 tonnes) and Pakistan (about 75,000), followed by Spain and Bangladesh.

In '98/99, post-El Nino weather and tropical storms and hurricanes cut pulse crop production outside N. America, forcing some demand, particularly in the middle East to shift from chickpeas to yellow peas. The US, however, grew about 33,600 tonnes or 740,000 cwt. of garbanzos in 1999, an increase of 77%, on about 58,500 acres. Australia grows desi type chick peas for export to India, and it appears the October/November frosts that hit Australia's wheat crop, along with disease (aschochyta) may have reduced pulse production. Carryover from Turkey's reduced '98/99 crop should be low (only 100,000T of exportable surplus,150,000 previously).

Canada's chickpea production was almost entirely in Saskatchewan. The late, wet spring resulted in little or none in Manitoba in 1999. The Canadian crop is estimated at about 325,000 tonnes in 1999 (50,000T in 1998, 15,000 in 1997,11,500 in 1996), with a yield of 1270 pounds/acre. Saskatchewan planted 350,000 acres, harvested 325,000 harvested (100,000-desi and 250,000-kabuli in '99, 40,000 and 55,000 in '98). Saskatchewan's acreage has increased from 95,000-'98, 26,000-'97, 6,600-'96, 70-'94). Much of the 1998 crop was priced for seed.

Price: Saskatchewan's large Kabuli chickpeas were as much as 36-37 cents/pound in the late fall, early winter, with the smaller Desi priced about one-third that or 12-13 cents.

Outlook: High prices the previous year or two encouraged increased production in 1999. So far, bean prices for '99/2000 have fallen more sharply than most other crops. In Manitoba, prices have fallen back to a "base" level close to 20 cents/pound. New-crop contracts may not be much better overall than recent cash levels if cash market prices don't improve; however, some buyers may find a price increase necessary to attract whatever is required to meet their commitments. The USDA is expecting Mexico to increase bean buying in early 2000 to compensate for lost production, and to fill import requirements under NAFTA; however, that has been slow to develop. US and Canadian production may be trimmed somewhat in 1999,

BUCKWHEAT:

Canada, the US, China, and Eastern Europe are major producers of buckwheat, with China historically accounting for 38% and the former Soviet Union 54%. Japan is the major world market for buckwheat, buying only new-crop and virtually the entire world trade of about 300,000 tonnes for use in fresh soba noodles. Japan buys from all the major competitors, including China, Canada, the US, Brazil, and France (with the exception, perhaps, of Eastern Europe). China is the major exporter, and buyers indicate it has become more competitive (price and/or quality) in recent years. China's buckwheat research program apparently terminated in 1995. France generally has an import demand for use in buckwheat crepes (in Brittany), but the import source is generally Brazil.

Manitoba's buckwheat production continues at low levels with a 8,700 tonne crop in '99 (10,900 in '98, 9,800-'97,15,200 -'96). Much of the balance of Canadian buckwheat production is in Quebec, bringing the total Canadian crop to 12,500 (down 16% from 14,800 tonnes in '98).

Canada exported only 5,000 tonnes of tonnes of buckwheat in the calendar year 1998 (13,860 in '97, 7,936 in '96). About 60% may go Japan, the balance often split to the US and the EU (often the Netherlands).

The US buckwheat area generally totals 30-40,000 acres. The Minn-Dak Growers Ltd. Contracts for about 30,000 acres of buckwheat in North and South Dakota, Minnesota and Montana. In August, 1997, the Minn-Dak Growers Ltd, of Grand Forks, N.D. officially opened a mill in Grand Forks specifically for buckwheat milling. The products, light and dark buckwheat flours, groats, and grits, are destined for the North American market. Minn-Dak's Dickinson, N.D. plant cleans raw buckwheat for export to Japan. (Minn-Dak also processes birdseed, using oil sunseed, safflower, and millet, at its Dickinson plant, processes confectionery sunseed at Donaldson, Minn. and Drayton N.D., and mills and deheats mustard at its Grand Forks plant.) Buckwheat, which is popular with deer, may also have marketing potential in winter deer feeding programs.

Over the past several years, Canada and the US have been importing pillows made of buckwheat hulls, mainly from Japan. As a result, there has been a surge in the local interest in buckwheat hulls (2-sides attached) for pillow production. In much of the milling processes, however, the hulls may be rendered unusable by being either spit apart totally or ground with the fruit. The primary supplier of clean, weed-free, good-quality hulls to Canada and the US has been Russia. China also exports buckwheat hulls to the US, some of which has been imported into Canada in pillows. To meet the demand, some of Manitoba's bulk food stores began to carry the hulls in late 1997. The US co-op now supplies hulls. A Minnesota processor's sales value of approximately US$0.60/pound for hulls was reported in the early spring, 1998.

Buckwheat is a broadleaf crop in the same plant family as rhubarb. It contains high-quality protein or lysine, and rutin, contains no gluten, and apparently has pharmaceutical and nutraceutical product potential, including beneficial effects on cholesterol. It may be used in groat form for breakfast cereals, ground for crepes, or mixed with wheat flour in bread, pancakes or noodles.

The US Buckwheat Growers Association of Central Minnesota and their newly formed growers' co-op are also focusing on buckwheat as a rotation crop or a conservation crop for CRP land. As a cost-effective alternative to chemicals, it is being used alone or followed by other crops (e.g. rye, vetch), as a cover crop, for smothering weeds (fairly competitive with quack grass), or as a green manure crop (also in rotation with organic soybeans). Buckwheat can potentially add as much of 3000 pounds of organic matter per acre. It is a short-season crop, not particularly frost-tolerant, and not yet eligible for crop insurance in the US. Variety research for frost-hardiness, yields, etc. is ongoing in Morden, Manitoba. US yields of buckwheat are generally 800-1000 pounds/acre (17-21 bushels/acre), but they are hoping to add another 200 pounds/acre through research.

Price: Prices to the Manitoba producer were $7-8/bushel for early 1999-crop contracts. Much of the contracts were 15 bushels/acre, compared to an average provincial yield around 16 bushels, although individual producers tend to get much more. At harvest, cash prices to the producer dropped to $6.75, then to $6/bushel for top-quality ($7.50-$8/bushel in November, 1998, and $6-7/bushel in 1997, with spring contracts up to $7.50). In the fall of 1998, #2 was down to $6-7.50 ($5.50 the previous year), with birdfeed around $6.75 ($7).

Outlook: China continues to hold much of the lucrative Japanese market, holding world prices down. The increase in North American demand for milled buckwheat is expected to hold prices around the $7-8 benchmark for 2000/01.

CANARYSEED

World canaryseed production is down slightly in 1999, to around 200,000 tonnes (272,200 in '98/99). With foreign production dropping off over recent years, Canada has become the major world producer and exporter. Australia currently grows about 3,000 tonnes, the US little or none.

The Canadian canaryseed situation has been one of lingering oversupply over the past few years, but it continues to fill a major role as a rotation crop in Saskatchewan. The 1999 Canadian crop totalled 166,000 tonnes (235,300-'98, 115,000-'97, 284,600-'96). Manitoba's 1999 crop totalled 7,600 tonnes (24,900 in '98, 9,200 in '97, 33,700 in '96, 12,200 in '95). The balance is grown in Saskatchewan, which tends to carry over large stocks. Canada exported a total of 123,720 tonnes of canaryseed during 1998 (134,138 in '97, 104,082 in '96. The largest buyers tend to be being Belgium, the Netherlands, Mexico, Brazil, and the US, with large amounts also going to Spain and other EU countries. Mexico's 20% tariff on imports of Canadian canaryseed expired January 1, 1998, and Canadian canaryseed exports to should continue to grow. Manitoba exports much of its crop to the US, Europe and Mexico, but imports large amounts of cleaned birdseed. In 1998, exports were valued at $12.6 million and imports at C$83.3 million.

Prices: Western Canadian and Manitoba canaryseed prices generally continued in the 10-11 cents/pound area (11-12 cents in late '98, 14-16 cents -'97, 12-15 -'96).

Outlook: Prices for 2000/01 are likely to remain flat unless further drawdowns in production and carryovers occur, particularly in Saskatchewan.

FABABEANS

The 1999 Canadian fababean crop is estimated at 6,500 tonnes (13,700 in '98, 4,300 in '97). Manitoba is the only province for which Statistics Canada shows fababean production in 1999. At 6,500 tonnes, Manitoba's crop is down 37% (10,300 -'98, 3,400 -'97, 5,400 -'96). Quality was reported reasonably good in 1999. Fabas may be used for food or hog fodder, and when quality suffers, as in 1997, or alternative feeds are high-priced, a portion of Manitoba's fabas are used for feeding.

Price: November to December prices for good fababeans were in the 9-10 cent/pound area, although some may have been 8 cents (9-10 in '98, 12 cents for good #2 -97'). Feed grade fabas may market around 5-6 cents in a low price year like this, to 7-8 cents in a higher-priced year.

Outlook: Faba prices seem to have a base price in the 9-10 cent area ($220/tonne). Next crop-year's prices will continue to be influenced by high grain and protein crop supplies, but potentially lower world bean and chickpea planting could have a positive impact.

LENTILS

World lentil production is expected to up about 3% to over 3 million tonnes in 1999/2000, according to the FAO (2.917-'98/99, 2.694-'97). Canadian and US lentil crops are larger, which should allow them to fill some import demand caused by the lower EU crop, and prices are higher.

Weather disasters in late-98 and '97 helped to increase lentil demand and draw down supplies, but in '99/2000, production is larger in major consuming and exporting regions. A pulse crop, lentils are mainly an ethnic foodstuff of the mid-East. North Africa had some drought in 1999 and demand has likely picked up from some of Morocco's neighbours. The FAO is estimating Morocco's lentil crop at about 25,000 tonnes in '99/2000 (24.82-'98/99); Morocco's production in the last decade has been volatile from 8,130 tonnes in '95/96 to 51,150 in '91/92. Australia has become a commercial lentil producer of small reds, but foreign concerns over the difficulty in visibly distinguishing vetch seed has hampered marketing.

The EU crop is lower in 1999 (21,740 tonnes in '99, 23,610-'98, 28,985-97, 36,736-96, 15,712-95). The European crop size affects their buying and US and Canadian prices. In the past, European buyers have tended to stockpile imported lentils in low-price years, and reduce imports in higher-prices years.

The 1999 US lentil crop is up 23% to 108,270 tonnes (87,907-'98, 109,135-'97, 60,464-'96). Lentils are used, along with other pulses, in government food aid.

The Canadian crop was 51% higher at 723,800 tonnes (479,700-'98, 378,700-'97), and Manitoba's lentil crop was 8,800 tonnes in '99 (5,900-'98, 5,300-'97, 21,000-'96).

Price: The US cash price of lentils rebounded to some extent in 1999, with US16-17cents/pound at the dealer level in late November, early December (US14.75-15.00 in '98 and '97, 20.25-21 cents in 1996). US grower prices were around US13-13.25 cents (11.50 -'98, 17-17.50 –'97). In Manitoba, lentil prices to the producer late-November '99, early- December were in the 19-23 cents/pound area for #1 Estons (18-20 in November '98, 12-14 In November '97, 12.5-14 in November '96). Lairds were 21.5-22.5 (17.25-19, 13.25-14.5, 19.25-21.5). Speckleds were 17-20 cents (14.5-15.5, 11.45-12, 12-12.7). Richleas were around 19.5 (15.75-16.5, 13.05,18 cents). Small Crimsons or Reds, mainly grown in Saskatchewan, but with a few reported in Manitoba in '99, were about 18.2-20 cents (21-25 cents a year ago). Feed grade lentil prices tend to be extremely low, potentially 3-4 cents/pound or less.

Outlook: The current higher price levels are likely to encourage higher plantings in the EU and the US and reduce on-farm stocks. Saskatchewan produces the bulk of the Canadian crop and is likely to maintain a high level of planting, if spring weather permits.

MILLET

Manitoba grew about 30,000 acres of millet, according to the 1991 Census (with no numbers yet out of the 1996 Census). Canada exported about 2,460 tonnes of millet during 1997 (2,213 in '97, 1,103 -'96). The US grew about 406,190 tonnes of proso millet on about 600,000 acres in '99 (the first year of USDA estimates).

Much of the millet area grown is for forage production. Little is harvested as seed, with some varieties susceptible to contamination from wild foxtail millet. Tame millet seed and millet sprays, however, are a major feed component for caged birds, particularly smaller hook-bills.

Price: The mid to late-November 1999 price paid to Manitoba producers for Red and white millets was about 10 cents/pound cleaned, 8 cents uncleaned. In the late-fall, early-winter of '98/99, Proso millet was in the 8.2-8.25 cents/pound area (10.5cents in '97), with White Proso about 8 cents (7.2), Crown millet about 7 cents (5), Red Siberian about 11 cents (14.5) (Prairie Gold about 6 cents in '97).

MUSTARDSEED

Global mustardseed production in '99/2000 could be close to 600,000 tonnes in '99/2000 (529,600 in '98/99, 508,491-'97, 441,939 -'96). The EU has grown about 8,500 in both '99 and '98, up from the 7,700-7900 of '96 and '95.

Mustardseed supplies appear to be still high in North America following the increases that occurred in 1997. US production in '99 is about 21,780 tonnes (37,080-1998, 26,900-1997). US plantings were down sharply in '99, after having expanded rapidly in recent years, and are pegged at a still-high 60,800 acres in 1999 (98,900-'98, 76,300-'97). US planting earlier in the 1990's had ranged from 15,300 (in 1992) to 19,400 (1991).

Canada's grows 45-50% of the world's mustardseed! Low prices failed to discourage planting in '99, and the crop increased to 306,400 tonnes (238,600 tonnes, 243,300 -'97, 230,800 -'96). Manitoba grew only 1,900 tonnes in 1999 (3,400 -'98, 6,300 -'97, 4,900 -'96, 2,600 -'95). The balance of the Canadian crop is grown in Saskatchewan. Crop quality appears to be a problem in some areas of western Canada, with cleanliness (inseparable weeds and canola) an issue. (The industry recommends that tame mustardseed plantings follow canola only after 5 years.) The US tends to account for nearly 60% of Manitoba's mustardseed exports, with small amounts to Japan, and the rest to the EU.

The nearby mustard milling industry has grown in recent years. Some is processed into edible mustard preparations in Manitoba. Local cleaning plants separate and clean seed to processor specifications. The Crystal River Foods plant in Clearwater, Manitoba, markets organic, wild mustardseed. Some milling is currently done in eastern Canada in Hamilton or Montreal, with much of the flour exported to the US or overseas. The Sakai Spice Canada Manufacturing plant in Lethbridge, Alberta, mills for the Japanese market. There are mills in N. Dakota and Missouri. The US Minn-Dak Growers Ltd. mills and deheats mustard at its Grand Forks plant.

Mustardseed has a reasonably high protein level and can be used as a filler or emulsifier for meats, as well as a condiment. Recent research points to potential uses for meal components as emulsifiers in non-meat products. Mustardseed also has a high oil content of approximately 27% for yellow and 38-39% for the brown and oriental types. In Asia, the spicier mustards are valued as a flavouring for vegetable oils, especially with rapeseed. (Reports indicate that some mustardseed millers now tend to buy by variety as well as by type.)

Price:. Mustardseed prices to the farmer have continued to drop since '96/97's highs In '99/2000, late-November, early December prices to Manitoba producers for #1 yellow mustardseed were in the 11-12 cent/pound area (16-18 cents a year-ago, 18-22 in '97, 47 in '96). Producer prices for brown (grown mainly in Saskatchewan) were around 12 cents (16-17.25 in '98, 17-18 in '97, 18.5-20 in'96). Oriental mustardseed was about 13 cents (15.5-16) in Saskatchewan, about 13.5 in Manitoba (17.5, 13.5-13.8, and 15-17).

US mustardseed is considered a "minor" oilseed and is eligible for a national loan rate of US$9.30/cwt and for a Loan Deficiency Payment when market prices fall below the loan. At the N.D. county level, the loan rate becomes US$9.11 to 9.30/cwt (the equivalent of C13.4-13.7cents/pound or C$301.40/tonne).

Outlook: Mustardseed carryovers will likely be high which could prevent substantial price improvement even if Canadian plantings decline for 2000/01. Rapeseed plantings are expected to be lower in most areas of the world, however, India's rapeseed and oil mustard production is expected to be higher. US farmers have an established co-op processor, for which they will

continue to grow. Despite current low prices, US supports may have a price-limiting effect on mustardseed, as they have had on other crops.

SAFFLOWERSEED

World production of safflowerseed in '99/2000 is about 895,400 tonnes (905,300 in '98/99, 920,966 in '97/98). Safflower oil is considered a superior edible oilseed, although much of the crop is destined for birdseed for larger domestic or wild birds. Safflower is a deep-rooted, dryland crop, that tends to discolour or stain if rain is received at harvest, which does not necessarily affect its value for oil, but may cause discounting for birdseed markets that prefer a clean, white seed.

Good yields increased US safflowerseed production to about 190,000 tonnes (186,920 - '98, 195,100 –'97). US planted area was down almost 40% to about 190,000 acres (from 303,000- '98, 228,000-'97, 222,000-'96).

Canada produced an estimated 3,800 tonnes with production mainly in Saskatchewan, some in Alberta (compared to 1,400 tonnes in '98, with 900 tonnes in Manitoba, and 500 tonnes in Saskatchewan). In dry years, Manitoba's Southwest has produced most of the province's safflowerseed. Birdfeed appears to be the major use of much of the Canadian seed. A portion is exported to the US. In calendar year, 1998, Canada exported a total of about 866 tonnes of safflowerseed.

Price: The November 1999 producer price indication is less than half the year-ago level, at 10 cents/pound or $220/tonne (22 cents or $485 a year-ago, 25 cents or $550 in '97/98). US safflowerseed is considered a "minor" oilseed and is eligible for a national loan rate of US$9.30/cwt and for a Loan Deficiency Payment when market prices fall below the loan. At the N.D. county level, the loan rate becomes US$6.82/cwt (the equivalent of C10cents/pound or C$221/tonne).

Outlook: Weather will be a major determining factor in safflowerseed planting in Manitoba, since the crop prefers fairly dry conditions. The nearby Carrington, N.D., cold-press, co-op plant crushes "minor" oilseeds, including safflower and crambe, and others, and apparently intends to crush more. The Dickinson, N.D. plant includes safflower in birdseed mixes. US supports can be expected to have a price-limiting effect.

SUNFLOWERSEED

World sunseed production has been on an upswing the past few years, and for '99/2000, the USDA put the global crop up 4%, at 26.9 million tonnes (25.9 in '98/99). There are larger crops in Canada, Eastern Europe (3.25 million in '99, 3.41 in '98), and in the former Soviet Union (6.79, 5.55). Although down somewhat from last year, crops were still sizeable in the US and the EU. European analysts for "Oil World" put the Argentine crop, to be harvested in March, at a record 7.2 million tonnes, although the USDA puts it lower at 6.4 million tonnes (6.8 in '98/99).

In Europe, a large crop (3.24 million tonnes in '99, 3.41 in '98) and poor demand has markets depressed. The 1999 fall frosts delayed harvest, affecting crop quality, and adding to higher insect and sclerotic damage. The EU is importing from Russia and the Ukraine, but China and India also compete now in the European market. The Ukraine has a 17% larger crop, but still

has an unpopular, 23% export tax on sunflowerseed to encourage domestic use; it has successfully reduced exports in early '99/2000.

The '98/99 US sunseed carryover was a sizeable 230,430 tonnes (508 million pounds), but '99/2000 carryover is expected to be lower. The 1999 US sunseed crop totalled 3.6 million acres, but production was down 18% to 1.97 million tonnes (2.39-'98, 1.7-'97and 1.7-'96). The area of non-oils generally accounts for about 21-22% of the acreage, with the balance being oil types. With the smaller crop and some decrease in export demand, US sunoil exports and crushing will be down in '99/2000. India is expected to buy less, which could restrict the US sunseed crush. The Minn-Dak Growers Ltd. processes birdseed, using oil sunseed, safflower, and millet, at its Dickinson plant, and processes confectionery sunseed at Donaldson, Minn. and Drayton N.D. plants.

Western Canada produced about 121,900 tonnes of sunseed in 1999 (111,800 in '98, 65,100 in '97). Manitoba generally produces about 70-75% of the total crop. An estimated 140,000 acres were planted in 1999, although there were some pre-harvest losses, and harvestings were put at 125,000. Manitoba's crop totalled 82,900 (86,200 in '98, 47,600 in '97, 37,700 in '96). The large crop provided Manitoba with a fair amount of good quality seed, but a lot suffered insect and frost damage before harvest. At least 55-60% of the crop was non-oils. Longer seed types of non-oil sunseed may be at a premium to the shorter, rounder types. Saskatchewan grows the balance of the Canadian crop, with the area expanding northward. Much of the Canadian crop is destined for human consumption or confectionery, or for birdfeed.

Price: US farm prices are expected to show a seasonal increase from last fall's less than US$7/cwt, particularly since marketable supplies are apparently tightening. US farmers have taken Loan Deficiency Payments on 60% of the '99 crop to early December, worth about US$68 million. US sunflowerseed is considered a "minor" oilseed and is eligible for a national loan rate of US$9.30/cwt and for a Loan Deficiency Payment when market prices fall below the loan. At the N.D. county level, the loan rate becomes US$8.71-9.50/cwt for oilsun (the equivalent of C12.8-14cents/pound or C$282-308/tonne). A N.D. average November/99 farm receipt of US$6/cwt (C$194.45) should have resulted in about US$2.71-3.50/cwt in Loan Deficiency Payments. The N. Dakota loan rate for non-oil sunseed is US$8.74-9.52/cwt, although N.D. farmers were getting much more from the confection or non-oil market at a November average of US$13/cwt (about C19 cents/pound).

The Manitoba price paid to producers for the oil-type, smaller, mainly black sunflowerseed in late November 1999 was around 10 cents/pound (14-15.5 cents in '98, 14-14.75 in '97), essentially for use in birdfeed. The Manitoba price for non-oil, confection-type, or striped sunseed was 17 cents (20-22.5 in '98, 17-18 cents in '97 for human consumption, and for birdfeed 19-21 cents in '98, 14-17 in '97).

Outlook: Prices could dip in March, when Argentina's large crop hits the market. The potential for marketing oilseed sun to US crushers only exists as long as the US is not using the Export Enhancement Program for sunfloweroil ("SOAP"). US oilsun production supports could maintain US production and fairly low prices. Non-oil prices are likely to add interest and acres to production in 2000 in both Canada and the US.

TRITICALE:

Canada's triticale production continued to increase to 126,200 tonnes (85,300 in '98, 31,000 in '97). Manitoba now grows very little of the crop, about 3,000 tonnes in '99 (9,100 tonnes

in '98). About two-thirds of the crop is now grown in Alberta, the rest in Saskatchewan. At least 82,000 acres of the total 1999 Canadian plantings of 185,000 acres were not cut for grain. Although triticale is a rye/wheat cross, and was developed mainly for milling uses, producers use it mainly as a cover crop on newly established forage fields, then hay or graze it.

Price: There were few prices quoted in early 1999. Triticale for feed would have to be ergot-free, and priced closer to rye than to wheat because of its low volume. In mid-November 1998, triticale prices were quoted at $157-175/tonne, $4/bushel or better, although few if any transactions were reported. In '97, triticale for seed, 85%+ germination, was reported around $4/bushel to the Manitoba producer.

MAJOR DATA SOURCES:

Statistics Canada, Canadian Grain Commission, Agriculture Canada, FAO, Manitoba Agriculture and Food, United States Department of Agriculture, "Oil World"

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APPENDIX

ECONOMICS

The Conference Board of Canada and major Canadian banks have forecasted an improved Canadian dollar for the year 2000, in the area of 1.4 to 1.42 to the US dollar. The US dollar's value is projected to decline in 2000 by about 3-4%, particularly against the currencies of the EU, Japan, and other Asian and Latin American countries, because of reduced purchasing power and inflation in the rest of the world.

US government economists are predicting that 2000 will be the beginning of a period of high world economic growth, and that commodity and other primary goods prices will start to increase. World GDP is projected to grow 3% in 2000 (2.5% in 1999), with growth in the EU projected at 2.7% for 2000 (2.4%), and growth in developing countries of almost 5% (2.8%), with "modest" growth in Southeast Asia, Latin America, and the Middle East.

Much of the global financial crisis has been attributed to the destabilizing outflow of capital from Asia. Capital is expected to flow back into the "Asian Tigers", following the outflows of about $50 billion in 1997 and 1998 (and the plus $250 billion inflow in 1996). Japan's reported growth was slower than expected in late 1999, but is expected to be stronger in 2000.

The US economy is expected to continue in the longest sustained growth period in US history. Any slowing in that growth is expected to be small in the near future, with the US Gross Domestic Product or GDP expected at around a 3% growth rate (from 4% in 1999). The global financial crisis had a negative effect on US agricultural and on other exports (reduced export revenues and a current account deficit of over US$300 billion), but had a positive effect on the overall US economy (reduced import and input costs). Exports of US agricultural and other commodities are expected to increase.

WORLD POPULATION AND CONSUMPTION

In October, the world's population reached an estimated 6 billion, up from around 1.5 billion at the turn of the century. About one-third of the world's population lacks access to adequate food levels. The number of people failing to meet minimum recommended nutritional requirements is projected to grow to nearly 1 billion by 2009, according to the USDA's food security assessment. The food shortfall from recommended consumption will likely be around 17.4-23 million tonnes in 2009.

The nutrition gap in Latin American and Caribbean countries is expected to grow over the next decade, mainly because of population growth and increasing income disparity; import dependency is expected to increase to 47%, with nearly one-third of the population unable to meet nutritional requirements. Food imports and aid and foreign will be crucial over the long term.

WORLD TRADE AGREEMENTS

Discussions have been undertaken over the past year or two with the aim of harmonizing international policies on genetically or living modified organisms (GMO or LMO), and on drug and chemical registrations. The United Nations' Persistent Organic Pollutants Protocol (POP) would see a number of commonly used chemicals phased out and/or replaced by 2002.

The World Trade Organization's meetings officially began November 30th to December 3rd, in Seattle, Washington; however, delegates were unable to agree full agreement on negotiation

agendas at that time, so further bilateral discussions will be ongoing during 2000. The agriculture committee reportedly was able to reach a compromise agenda, although future negotiations are expected to be contentious.

Upcoming topics for formal discussion will likely include issues not fully addressed during the Uruguay Round, including reductions in export subsidies and domestic support programs, improved market access, administration of tariff rate quotas (TRQ's), the use of safeguards for specific commodities, trade in GMO, LMO, or biotech crops, and phyto-sanitary or non-tariff trade barriers. The EU has announced its intention to retaining "blue box" subsidies (direct income supports, such as area aid and "headage"), but may be willing to reduce export subsidies if US export credits are treated the same way. The EU and Japan also want to build in compensation to farmers for the higher costs of producing safer food, protecting the environment, guarding animal welfare, preserving the countryside and enhancing rural life. Serious joint negotiations may now not begin until 2001, after the US elections, or possibly not 2002, until after the scheduled WTO administration reorganization. Previous trade talks have taken between 5 to 10 years to complete.

Current WTO rules will continue to apply in the absence of a new agreement, subsidy cuts and tariff reductions will end shortly as scheduled, and will remain static at ending levels, but improvements will have to wait. New, disguised subsidies are not allowed, and are limited to products that received them in the past. Developing countries have until 2005 to cut spending by 24% and quantities by 14%. Export credit and food aid programs were exempt from budget and quantity limits under the current agreement, but were not to undermine WTO commitments. Export taxes, which are considered a supply management tool, and differential export taxes which generally favour the export of processed product are also likely to be targeted for discussion.

US/CANADA TRADE

December 4, 1998, US border blockages and Canada/US trade discussions resulted in Canada and the US signing an agreement of understanding (http://aceis.agr.ca/cb/trade/recorde.html) with Canada agreeing to accept shipments of grain from northern US states beginning January 1, 1999.

Canada is the largest trading partner of the US, and Mexico is the 3rd largest. Canada imports large quantities of US grain and processed grain products, including corn for seed, and corn and other feeds for domestic livestock and pets, including for animals purchased by US livestock slaughterhouses or processors. Access into Canadian grain markets has historically tended to be controlled more by price than by trade barriers, since import permits and transhipment access have long been available.

CHINA

China is encouraging additional grain production through recent farm program reforms, and could become more of a major international competitor in the near future. In '95/96, China was the world's largest wheat importer. Since then, China has shifted toward increased self-sufficiency in basic foodstuffs. Grain output has risen more sharply than domestic consumption, despite a population that grows by 15mln people/year. China is now importing only small amounts of wheat and has become a net exporter of corn and rice. Corn exports may be trimmed is the feed manufacturing sector and livestock feeding increases, although at present, large corn exports are

expected. The USDA is anticipating China's imports of non-grain feed ingredients (high protein soybeans, soymeal and feed additives), soyoil, and other vegetable oils, to continue strong into the long-term.

China must reach separate agreements with its main trading partners in order to join in upcoming World Trade Organization negotiations. Bi-lateral agreements were announced with November 26, 1999, with Canada and November 15, 1999, with the US. The Canada/China deal apparently matches one signed by China and the U.S. Other trading partners must reach similar agreements, and legislators within each country must ratify the agreements. The US Congress must approve permanent "Normal Trade Relations", giving China the same reduced-tariff rates as other nations. Implementation may be on hold until China is officially welcomed into the WTO.

The trade agreements are expected to improve Canadian access for canola, canola oil, wheat, barley, malt, feed peas, alfalfa pellets, ginseng and whiskey. China agreed to tariff rate quotas or TRQ (with a low tariff up to a certain level of imports, and a higher tariff above that). The canola oil TRQ would start at 600,000 tonnes, rising to 1.13 million tonnes in 5 years, with the TRQ eliminated after 6 years. The canola oil TRQ will be the same as soyoil; but there will be no TRQ for canola seed, which will still favour seed imports. The wheat TRQ is 7.3 million tonnes, rising to 9.3 million in 4 years. China would reportedly cut its tariffs on US imports from an average of 22% to 17%, with tariffs on major US farm products cut to15% or less; large but increasing tariff-rate quotas (tariff-free imports) would be set up for wheat, corn, rice and cotton, China's export subsidies and state soyoil trading would be phased out, with the private sector allowed increased market share. The US would get access to China's telecommunications, financial, and audiovisual markets, and US quotas on China's textiles.

THE EUROPE UNION

The European Union (EU) started with 6 member states, is now at 15, and potentially will reach 27 members within a few years. Talks on reforming the EU's institutions are beginning, and reforms are to be implemented by the end of 2002. Membership discussions will be held with Poland, the Czech Republic, Hungary, Slovenia, Estonia and Cyprus. Invitations are expected for 6 more countries to start talks on joining the Union (Slovakia, Latvia, Lithuania, Bulgaria, Romania and Malta).

The European Commission's Common Agricultural Policy reform proposals, "Agenda 2000", were agreed to in the spring of 1999, and will begin to be implemented in 2000. The EU has 7.5 million farms, with an average size of forty acres, and is therefore intending to use farm programs more in rural development and less in agricultural production. As in its WTO negotiations, the EU proposes to make agriculture a special case through a concept of "multifunctionality", which would include farming's role in preserving the countryside, enhancing rural life, protecting the environment, and guarding animal welfare. Market supports will be reduced and farm income will be supported with direct payments. Cereal price support will be reduced by more than 50% through both of these reforms. Direct payments to farmers, decoupled from production, already account for most of the expenditure under the CAP (more than 70 percent of what was traditionally considered market support). Member states can also modify the payments and link them to environmental considerations.

EU reforms are intended to curb stock and expenditure increases, particularly with an expanded and increasingly productive production area. According to the EC's own projections,

reforms that are put in place for 2000 may be insufficient to prevent EU intervention and ending stocks from doubling between the end of 1997 (from 36.8 million tonnes) and the end of 2005.

EU forecasts contained in Agenda 2000 proposals (done in 1998) were very optimistic, assuming that consumption will rise faster than production, EU wheat production will grow by less than 10 million tonnes, with about a 5 million tonne drop in coarse grain production and little change in rapeseed or sunseed, and that world trade will grow by 40-60 million tonnes. The EC also assumed that the world price of wheat will increase to between US$166-187/tonne by 2005, although subsequent, less optimistic outlooks would put the 2005 price closer to US$140, compared to US$100/tonne in late 1998. Export rebates amount to the difference between the higher domestic price and the world or export price. The proposed Agenda 2000 intervention price is therefore designed to be below the world price (at 95.35 ECU/tonne or US$115/tonne at a 1.2 exchange rate), so that the EU could cease the use of export rebates or subsidies.

The "Blair House Agreement" between the EU and the US was a US attempt to prevent specific crop incentives; however, since then, low wheat and high rapeseed prices favoured oilseed production. Additionally, the EU retained an exception to plant rapeseed for ethanol on the set-aside allowance, and has an "area aid" for flaxseed that is about C$500/ha more than for rapeseed. The 1998 (and 1997) compensatory payment to European farmers for wheat was about C$217/acre or C$543/ha (304.3ECU/ha), while the payment for rapeseed was about C$360/acre or C$900/ha (503.75ECU/ha or 566 less adjustment penalty), with a set-aside compensation of about C$290/acre (405.5 ECU/ha). Agenda 2000 would currently increase the wheat payment to 369.6 ECU/ha, and decrease the rapeseed payment to 203.28 ECU/ha (a scenario considered disastrous to EU rapeseed if prices drop).

In March 1999, EU members agreed to less severe and more graduated farm program reforms than earlier proposed. The intervention price for cereals will be reduced 20% in two steps (10% in 2000, and a further 10% in 2001) to bring it to 95.35ECU/tonne (1999 at 119.19ECU/tonne). As proposed in July 1997, the EU will phase in a single per-hectare aid payment for cereals and oilseeds, an increase of 20% for wheat and a decrease of 37% for oilseeds. Direct aid for cereals will be increased to 66ECU/tonne (from 54ECU at present). The direct payment per hectare for oilseeds will be reduced in three annual steps to 66 ECU/tonne by 2002. The March agreement set the compulsory set-aside at 10% for the market in years 2000/01 and 2001/02, and at 0% from 2002/03 onwards. (Many in the EU had acknowledged that even a 25% set-aside could create large intervention stocks.) Set-aside compensation was set in March at 66ECU/tonne.

The EU was allowed to increase its use of export subsidies under WTO agreements to allow a carryover in unused subsidy allowances, in addition to any further, annual, allowable subsidies. EU Commission use of the export subsidy program increased in early 1999/2000, as world competitive prices dropped well below domestic EU levels, as domestic supplies increased, and as import demand from North Africa (especially Egypt) increased. In the fall of 1999, subsidies of up to US$65/tonne were reported on cereals, including rye. (In early October, 1998, export subsidies for wheat were reported around 31ECU/tonne or C$55/tonne, Barley 67.46ECU/tonne or C$119/tonne, Malt 77.27ECU/tonne or C$137/tonne.) With lower prices in 1999, the dollar value remains high, although the volume of exports the EU is allowing is down.

Since 1996, CAP expenditure has remained largely unchanged at about 37billion ECU (US$39 billion), plus about 2 billion ECU (US$2.1 billion) on "accompanying measures", and plans are to keep it close to that level until about 2006.

THE U.S.

The "Federal Agriculture Improvement and Reform Act of 1996" ("FAIR") became law in April/96, and is in effect for 7 years, through 2002. It was meant to redesign US farm income support and supply management programs for US wheat, corn, grain sorghum, barley, oats, rice, and upland cotton, and dairy. It was meant to expand the market-oriented policies of the previous two major farm acts, and to be a gradual reduction of US government influence in the agricultural sector. It was not expected to affect production. Government payments were expected to be higher, but fixed, during the transition, which would increase net farm income, but allow it to become "more variable from year to year in response to supply and demand shocks".

The major US program vehicles now include: risk management programs, including crop insurance (disaster payments as indemnities and a 1999 and 2000 buy-down of crop insurance premiums), transition payments, government loans (and storage payments), Loan Deficiency payments, and Conservation acreage contract payments.

Non-crop specific (decoupled), WTO-legal, per-acre transition payments or "production flexibility payments" to US producers under "Freedom to Farm" were to stabilize income and assist the move to a market-based system with a staged phase-out. The emergency "market loss" component of emergency aid is generally paid as a proportion of the production flexibility payments. For wheat, the transition payments were calculated at US87¢/bu for 1996, dropping to 63¢ in '97, 65¢-'98, 63¢-'99, 57¢-2000, 46¢-2001, 45¢-2002¢. Per-acre payments were then based on 85% of the historical base acres and yields for each crop.

The Loan Deficiency Payments (LDP) are estimated at US$7.9 billion for 2000 ($6.9 billion-1999, $1.8 -1998). LDPs pay US farmers the difference between local (posted) market prices and Commodity Credit Corporation loan rates. When the market price falls below the loan rate, increased government payments offset the decline in cash receipts. Alternatively, they can take a Loan Deficiency Payment which essentially pays out the difference between the USDA's calculated or posted market price and the loan rate, allowing farmers to bottom-pick or select a seasonally low market price and get the largest payment they can (without losing ownership), then sell at a later date or into a different market, hopefully at a higher price.

To early Dec, US producers collected an average 1999-crop LDP of US48¢/bushel on wheat, 29¢ on corn, 23¢ on oats, 29¢ on barley, and 3-4¢/pound or nearly C$90-100/tonne on canola, and about US95¢/bushel on soybeans. Producers can take either the LDP or a government loan on a specific lot of grain, but most of the enrollments in 1999/2000 are in the LDP. Producer groups are requesting that the Loan Deficiency payment limits be doubled from the current $75,000 (which can be reached by a 900 acre farm with wheat, corn and soy).

The expectation is for US$17.2 to US$25 billion in direct payments to US farmers in 2000. (USDA farm income forecasts included US$17.2 billion). US expenditures on direct government aid to US farmers totaled about $22.7 billion in 1999, according to December income estimates ($12.2 billion in '98, $7.5-'97, $7.3-'96 and '95). In 1997, about 36% of all US farms received some type of direct government payment, averaging $7,987/farm. Program benefits have now been put at an average of around $12,000 over all farms; however, with increased payment limits and split ownership, the largest farms (around 1100 acres, 2 or more operators) can apparently receive as much as US$460,000. A review of the 1996 US Farm Bill will begin in early 2000.

CANADA CROP PRODUCTION SUMMARY, 1997 - 1999													
	SEEDED AREA ('000AC)			HARVESTED AREA ('000AC)			YIELD/HARVESTED ACRE			PRODUCTION ('000TONNES)			
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999	99/98
CANADA:							(BUSHELS/HARV.ACRE)						
WINTER WHEAT (1)	623	957	937	622	957	932	54.1	56.7	67.7	915.3	1475.8	1718.2	116%
DURUM WHEAT	5515	7250	4390	5465	7200	4350	29.3	30.8	36.0	4351.7	6041.9	4259.3	70%
OTHER WHEAT	22266	18610	20461	22108	18229	20327	31.6	33.4	37.7	19013.3	16558.6	20872.7	126%
TOTAL WHEATS	*28403*	*26817*	*25788*	*28195*	*26386*	*25610*	*31.6*	*33.5*	*38.5*	*24280.3*	*24076.3*	*26850.2*	*112%*
OATS	4631	5097	4659	3703	3933	3456	61.0	65.2	68.3	3484.7	3957.5	3641.3	92%
BARLEY	**12404**	**11447**	**10895**	**11614**	**10557**	**10055**	**53.5**	**55.3**	**60.3**	**13527.3**	**12708.7**	**13196.0**	*104%*
RYE (1)	417	564	462	401	503	417	31.5	31.2	36.5	320.0	398.1	386.6	97%
MIXED GRAINS	766	687	676	539	489	379	59.0	59.1	62.3	602.8	548.0	446.8	82%
GRAIN CORN	2594	2784	2862	2577	2764	2820	109.5	127.0	127.0	7168.8	8912.4	9096.3	102%
FLAXSEED	2060	2170	2000	2060	2120	1960	17.1	20.1	21.1	895.4	1080.9	1049.1	97%
CANOLA/RAPESEED	**12123**	**13535**	**13835**	**12033**	**13415**	**13750**	**23.4**	**25.1**	**28.2**	**6393.1**	**7643.3**	**8798.3**	*115%*
SOYBEANS (2)	2617	2416	2469	2612	2415	2469	38.4	41.5	41.2	2732.0	2730.5	2765.9	101%
BUCKWHEAT	36	37	35	34	36	33	20.8	19.0	17.6	15.5	14.8	12.5	84%
DRY PEAS	2097	2680	2104	2095	2665	2064	30.9	32.2	40.1	1762.2	2336.8	2251.9	96%
TRITICALE	57	140	185	37	88	103	*33.0*	*38.2*	*48.2*	31.0	85.3	126.2	148%
							(POUNDS/HARV.ACRE)						
SUNFLOWERSEED	125	170	210	125	170	195	1148	1450	1378	65.1	111.8	121.9	109%
CANARYSEED	280	520	370	280	515	360	905	1007	1017	115.0	235.3	166.0	71%
DRY BEANS, WT.NAVY	119	99	196	119	99	196	1537	1654	1680	82.6	73.9	149.1	202%
DRY BEANS, COL.	99	134	175	99	134	175	1742	1835	1708	77.9	111.2	135.4	122%
FABABEANS	6	14	7	6	14	7	1584	2157	2047	4.3	13.7	6.5	47%
LENTILS	813	935	1251	813	918	1227	1027	1152	1300	378.7	479.7	723.8	151%
MUSTARDSEED	722	700	692	722	690	675	743	762	1001	243.3	238.6	306.4	128%
SAFFLOWER	0	3	10	0	3	10		1029	838	0.0	1.4	3.8	271%
TOTAL GRAINS	*49215*	*47395*	*45342*	*47028*	*44631*	*42736*				*49384*	*50601*	*53617*	*106%*
TOTAL OILSEEDS	*16856*	*18261*	*18488*	*16741*	*18038*	*18281*				*10052*	*11540*	*12740*	*110%*
TOTAL SPECIALS	*4292*	*4238*	*4638*	*4285*	*4209*	*4595*				*3452*	*3590*	*3954*	*110%*
TOTAL	*70269*	*70813*	*68705*	*67963*	*67778*	*65783*				*62102*	*65647*	*70099*	*107%*
FODDER CORN	501	495	466	496	494	461	10.9	13.0	14.3	5421.9	6425.3	6605.2	103%
TAME HAY	15732	15920	16721	15732	15048	14944	1.3	1.4	1.8	21001.1	21436.6	26739.2	125%
SUMMERFALLOW	14070	13430	14065	14070	13430	14065							
TOTAL	69646	70244	68178	67340	67218	65273				61936.7	65518.2	69923.8	107%

NOTES: (1) RYE SEEDED=AFTER WINTERKILL; (2) EASTERN CANADA ONLY; MAY NOT ADD DUE TO ROUNDING; DATASOURCE: STATS CANADA, AUTH. EST

MANITOBA CROP PRODUCTION SUMMARY, 1997 - 1999

	SEEDED AREA ('000AC)			HARVESTED AREA ('000A			YIELD/HARVESTED ACRE			PRODUCTION ('000TONNES)			
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999	99/98
							(BUSHELS/HARV.ACRE)						
WINTER WHEAT (1)	40	85	80	40	85	80	42.5	47.1	59.4	46.3	108.9	129.3	119%
DURUM WHEAT	140	200	40	140	200	40	27.8	35.0	32.5	106.1	190.5	35.4	19%
OTHER WHEAT	3700	2955	3055	3700	2945	3025	31.8	36.4	36.4	3197.8	2920.3	2993.6	103%
TOTAL WHEATS	***3880***	***3240***	***3175***	***3880***	***3230***	***3145***	***31.7***	***36.6***	***36.9***	***3350.2***	***3219.7***	***3158.3***	***98%***
OATS	800	1000	810	700	900	730	68.1	74.2	75.9	735.6	1030.2	854.4	83%
BARLEY	**1400**	**1300**	**1060**	**1350**	**1240**	**1000**	**57.3**	**60.4**	**55.8**	**1685.2**	**1630.8**	**1214.9**	***74%***
RYE (1)	85	120	80	85	120	80	28.8	35.0	37.5	62.2	106.7	76.2	71%
MIXED GRAINS	30	20	20	20	10	10	50.0	50.2	55.1	20.4	10.2	11.2	110%
CORN, GRAIN	75	95	110	70	90	100	85.7	94.4	94.0	152.4	215.9	238.8	111%
FLAXSEED	660	700	520	660	680	500	24.2	20.9	21.4	406.4	360.7	271.8	75%
CANOLA/RAPESEED	**2370**	**2750**	**2480**	**2350**	**2730**	**2460**	**28.1**	**29.1**	**30.6**	**1496.9**	**1803.0**	**1707.8**	***95%***
BUCKWHEAT	25	30	25	25	30	25	18.0	16.7	16.0	9.8	10.9	8.7	80%
DRY PEAS	**205**	**260**	**105**	**205**	**255**	**95**	**32.0**	**32.6**	**35.6**	**178.3**	**225.9**	**92.0**	***41%***
TRITICALE	2	10	5	2	8	3	35.4	35.8	0.0	1.8	9.1	0.0	0%
							(POUNDS/HARV. ACRE)						
SUNFLOWERSEED	85	125	140	85	125	125	1235	1520	1462	47.6	86.2	82.9	96%
CANARYSEED	20	50	15	20	45	15	1014	1220	1117	9.2	24.9	7.6	31%
DRY BEANS, WT.NAVY	50	50	100	50	50	100	1402	1601	1601	31.8	36.3	72.6	200%
DRY BEANS, COL.	30	50	70	30	50	70	1168	1578	1543	15.9	35.8	49.0	137%
TOTAL BEANS	***80***	***100***	***170***	***80***	***100***	***170***	***1314***	***1590***	***1577***	***47.7***	***72.1***	***121.6***	***169%***
FABABEANS	5	10	7	5	10	7	1499	2271	0	3.4	10.3	0.0	0%
LENTILS	8	15	16	8	13	15	1461	1001	1293	5.3	5.9	8.8	149%
MUSTARDSEED	17	10	7	17	10	5	817	750	838	6.3	3.4	1.9	56%
TOTAL GRAINS	***6270***	***5775***	***5255***	***6105***	***5590***	***5065***				***6006.0***	***6213.5***	***5553.8***	***89%***
TOTAL OILSEEDS	***3115***	***3575***	***3140***	***3095***	***3535***	***3085***				***1950.9***	***2249.9***	***2062.5***	***92%***
TOTAL SPECIALS	***362***	***485***	***350***	***362***	***471***	***335***				***261.8***	***362.5***	***240.6***	***66%***
TOTAL	***9747***	***9835***	***8745***	***9562***	***9596***	***8485***				***8218.7***	***8825.9***	***7856.9***	***89%***
							(TONNES/HARV. ACRE)						
FODDER CORN	35	40	25	30	40	20	8.3	11.3	11.3	249.5	453.6	226.8	50%
TAME HAY	1900	1950	2025	1900	1950	2025	0.8	1.4	1.7	1451.5	2766.9	3401.9	123%
SUMMERFALLOW	**550**	**450**	**1500**										
IMPROVED PASTURE	700	800	800										

DATASOURCE: STATS CANADA, AUTHOR'S ESTIMATES (1) AFTER WINTERKILL, n/a = not available

CANADA -- SUPPLY/DISPOSITION SCENARIO FOR THE MAJOR GRAINS AND OILSEEDS

	SPRING & WINTER WHEAT			DURUM WHEAT			ALL WHEAT		
	97/98	98/99	99/2000	97/98	98/99	99/2000	97/98	98/99	*99/2000*
Area Sown ('000ac)	22888	19570	21774	5515	7250	4350	28403	26820	*26124*
Area Harv. ('000ac)	22730	19389	21380	5465	7220	4310	28195	26609	25700
Yield (bu/ac)	32.2	34.2	38.8	29.3	30.7	36.3	31.6	33.2	38.4
Stocks, Aug. 1	7543	5252	5413	1503	757	1952	9047	6009	7365
Production	19929	18034	22591	4352	6042	4259	24280	24076	26850
Imports	51	77	77	0	3	3	52	80	80
TOTAL SUPPLY	27523	23363	28081	5855	6802	6214	33378	30165	34295
- SUPPLY CHANGE	*92%*	*85%*	*120%*	*89%*	*116%*	*91%*	*91%*	*90%*	*114%*
Exports	15602	10575	13800	4205	3800	4500	19807	14375	18300
Commercial Dom.	3230	2789	3500	290	412	400	3520	3201	3900
Other Domestic	3440	4586	4281	603	638	564	4043	5224	4845
TOTAL DOMESTIC	6670	7375	7781	893	1050	964	7563	8425	8745
TOTAL CARRYOVER	5252	5413	6500	757	1952	750	6009	7365	7250
	OATS			BARLEY			RYE		
Area Sown ('000ac)	4631	5097	4700	12404	11439	10952	417	564	461
Area Harv. ('000ac)	3703	3993	3489	11614	10549	10043	401	503	411
Yield (bu/ac)	61.0	64.3	67.7	53.5	55.3	60.3	31.5	31.2	37.1
Stocks, Aug. 1	809	846	1092	2919	2459	2687	52	63	164
Production	3485	3958	3641	13527	12699	13196	320	398	387
Imports	6	6	3	18	62	55	0	0	0
TOTAL SUPPLY	4300	4809	4737	16464	15220	15938	372	461	551
- SUPPLY CHANGE	*90%*	*112%*	*98%*	*95%*	*92%*	*105%*	*105%*	*124%*	*119%*
Exports(1)	1204	1350	1200	2127	1092	1950	139	80	65
Commercial Dom.	462	528	550	3336	2835	2900	25	65	80
Other Domestic	1788	1839	1987	8541	8606	8738	146	152	176
TOTAL DOMESTIC	2250	2367	2537	11878	11441	11638	171	217	256
TOTAL CARRYOVER	846	1092	1000	2459	2687	2350	63	164	230
	FLAXSEED			CANOLA/RAPESEED			TOTAL MAJOR CROPS		
Area Sown ('000ac)	1820	2170	2030	12123	13535	13835	59798	59626	58101
Area Harv. ('000ac)	1820	2160	2005	12033	13395	13750	57765	57209	55397
Yield (bu/ac)	22.3	19.7	20.6	23.4	25.2	28.2	-	-	-
Stocks, Aug. 1	105	41	162	563	361	611	13494	9779	12081
Production	1029	1081	1049	6393	7643	8798	49034	49855	53922
Imports	1	5	3	141	157	175	217	311	316
TOTAL SUPPLY	1135	1127	1214	7096	8161	9584	62745	59944	66319
- SUPPLY CHANGE	*109%*	*99%*	*108%*	*115%*	*115%*	*117%*	*95%*	*96%*	*111%*
Exports(1)	918	795	450	2964	3950	3800	27507	21642	25765
Commercial Dom.	69	102	70	3232	3121	3250	10645	9852	10750
Other Domestic	107	68	144	540	480	534	15165	16369	16424
TOTAL DOMESTIC	176	170	214	3772	3600	3784	25809	26221	27174
TOTAL CARRYOVER	41	162	550	361	611	2000	9779	12081	13380

NOTE: MAY NOT ADD DUE TO ROUNDING; DATASOURCE: STC, CGC, AUTH. EST.; (1) MAY INCL. DIRECT US EXPORTS

CANADIAN WHEAT BOARD PAYMENTS, IN-STORE PORT (CONTINUED)											
	1990/91 Total	1991/92 Total	1992/93 Total	1993/94 Total	1994/95 Total	1995/96 Total	1996/97 Total	1997/98 Total	1998/99 "PRO"	1998/99 "INITIAL"	1998/99 "TOP-UP"
RED WINTER WHEAT											
1CW RED WINTER, 11.5%	-	-	-	-	-	254.78	203.38	182.50		138.00	
						6.93	*5.54*	*4.97*		*3.76*	
1CWRW	**118.21**	**130.28**	**154.96**	**148.82**	**185.29**	**251.71**	**201.81**	**181.13**	**179.00**	**136.00**	**43.00**
	3.22	***3.55***	***4.22***	***4.05***	***5.04***	***6.85***	***5.49***	***4.93***	***4.87***	***3.70***	***1.17***
2CWRW, 11.5%	-	-	-	-	-	250.79	201.70	181.50		135.00	
						6.83	*5.49*	*4.94*		*3.67*	
2CWRW	116.21	128.14	155.38	144.82	180.86	247.85	200.12	180.13		133.00	
	3.16	*3.49*	*4.23*	*3.94*	*4.92*	*6.75*	*5.45*	*4.90*		*3.62*	
3CWRW	102.00	114.66	159.39	114.39	153.86	n/a	n/a	n/a		n/a	
	2.78	*3.12*	*4.34*	*3.11*	*4.19*						
SOFT WHITE SPRING WHEAT											
SEL. 1CW SOFT WHITE SPRING	-	-	-	-	-	249.75	199.17	172.58		123.00	
						6.80	*5.42*	*4.70*		*3.35*	
1CWSWS	**117.00**	**129.67**	**154.96**	**132.88**	**179.47**	**245.25**	**197.16**	**171.33**	**153.00**	**122.00**	**31.00**
	3.18	***3.53***	***4.22***	***3.62***	***4.88***	***6.67***	***5.37***	***4.66***	***4.16***	***3.32***	***0.84***
SEL. 2CWSWS	-	-	-	-	-	246.35	197.09	n/a		122.00	
						6.70	*5.36*			*3.32*	
2CWSWS	114.00	126.67	151.66	129.68	177.43	242.25	194.53	169.47		121.00	
	3.10	*3.45*	*4.13*	*3.53*	*4.83*	*6.59*	*5.29*	*4.61*		*3.29*	
3CWSWS	103.00	114.66	127.63	114.39	154.86	217.02	156.99	140.99		105.00	
	2.80	*3.12*	*3.47*	*3.11*	*4.21*	*5.91*	*4.27*	*3.84*		*2.86*	
AMBER DURUM WHEAT											
1CWAD,14%	-	-	-	-	-	341.18	274.23	293.34		170.00	
						9.29	*7.46*	*7.98*		*4.63*	
1CWAD,13.5%	-	-	-	-	-	334.32	269.35	289.98		165.00	
						9.10	*7.33*	*7.89*		*4.49*	
1CWAD,13%	-	-	-	252.41	297.51	329.82	264.66	286.63	198.00	160.00	38.00
				6.87	*8.10*	*8.98*	*7.20*	*7.80*	*5.39*	*4.35*	*1.03*
1CWAD,12.5%	-	-	-	-	-	311.69	259.76	283.28		155.00	
						8.48	*7.07*	*7.71*		*4.22*	
1CWAD	**125.00**	**135.32**	**158.36**	**235.36**	**271.00**	**286.13**	**249.91**	**278.21**	**189.00**	**150.00**	**39.00**
	3.40	***3.68***	***4.31***	***6.41***	***7.38***	***7.79***	***6.80***	***7.57***	***5.14***	***4.08***	***1.06***
2CWAD,14%	-	-	-	-	-	331.97	263.49	286.92		162.00	
						9.03	*7.17*	*7.81*		*4.41*	
2CWAD,13.5%	-	-	-	-	-	326.59	258.61	283.14		157.00	
						8.89	*7.04*	*7.71*		*4.27*	
2CWAD,13%	-	-	-	245.18	266.50	320.94	253.92	279.36		152.00	
				6.67	*7.25*	*8.73*	*6.91*	*7.60*		*4.14*	
2CWAD,12.5%	-	-	-	-	-	302.41	249.65	276.10		147.00	
						8.23	*6.79*	*7.51*		*4.00*	
2CWAD	122.00	130.37	153.61	226.88	261.55	277.55	241.40	271.07	181.00	142.00	39.00
	3.32	*3.55*	*4.18*	*6.17*	*7.12*	*7.55*	*6.57*	*7.38*	*4.93*	*3.86*	*1.06*
3CWAD,13%							236.07	263.96		135.00	
							6.42	*7.18*		*3.67*	
3CWAD	**118.00**	**125.40**	**147.85**	**204.33**	**243.30**	**265.68**	**231.10**	**260.92**	**169.00**	**132.00**	**37.00**
	3.21	***3.41***	***4.02***	***5.56***	***6.62***	***7.23***	***6.29***	***7.10***	***4.60***	***3.59***	***1.01***
4CWAD	102.00	117.88	126.16	170.42	209.59	238.02	204.74	235.57		115.00	
	2.78	*3.21*	*3.43*	*4.64*	*5.70*	*6.48*	*5.57*	*6.41*		*3.13*	
5CWAD	95.00	110.11	112.34	120.20	158.11	219.82	156.99	145.39		105.00	
	2.59	*3.00*	*3.06*	*3.27*	*4.30*	*5.98*	*4.27*	*3.96*		*2.86*	

CANADIAN WHEAT BOARD PAYMENTS, IN-STORE PORT (CONTINUED)											
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1998/99	1998/99
	Total	Total	Total	Total	Total	Total	Total	Total	"PRO"	"INITIAL"	"TOP-UP"
BARLEY											
EXTRA 1CW	-	-	-	**103.93**	**105.83**	**209.50**	**164.50**	**124.02**		**103.00**	
				2.26	***2.30***	***4.56***	***3.36***	**2.70**		***2.24***	
1CW (2CW2R/	90.00	107.59	102.46	99.94	101.94	205.49	150.97	121.02	140.00	100.00	40.00
2CW6R)	*1.96*	*2.34*	*2.23*	*2.18*	*2.22*	*4.47*	*3.29*	*0.00*	*3.05*	*2.18*	*0.87*
2CW (1Feed)	87.00	104.59	99.46	94.01	96.98	199.72	144.94	115.51		93.00	
	1.89	*2.28*	*2.17*	*2.05*	*2.11*	*4.35*	*3.16*	*2.51*		*2.02*	
STD.HULLESS	-	-	-	113.44	107.69	212.41	155.99	126.02		105.00	
				2.47	*2.34*	*4.62*	*3.40*	*2.74*		*2.29*	
DESIGNATED BARLEY, 2-ROW											
SSCW2R	**154.79**	**142.00**	**160.80**	**134.62**	**177.17**	**248.99**	**228.82**	**196.32**	**166.00**	**148.00**	**18.00**
(1CW2R)	***3.37***	***3.09***	***3.50***	***2.93***	***3.86***	***5.42***	***4.98***	***4.27***	***3.61***	***3.22***	***0.39***
SCW2R	152.29	139.50	158.30	132.12	174.67	246.49	226.32	193.82		144.00	
(1Feed 2R)	*3.32*	*3.04*	*3.45*	*2.88*	*3.80*	*5.37*	*4.93*	*4.22*		*3.14*	
SAMPLE SCW2R	149.79	n/a	155.80	129.62	172.17	243.99	223.82	191.32		140.00	
(2Feed)	*3.26*		*3.39*	*2.82*	*3.75*	*5.31*	*4.87*	*4.17*		*3.05*	
SELECT 2R HULLESS	-	-	-	132.12	163.80	233.46	213.84	n/a		136.00	
				2.88	*3.57*	*5.08*	*4.66*			*2.96*	
DESIGNATED BARLEY, 6-ROW											
SSCW6R	**142.79**	**126.93**	**143.90**	**122.68**	**158.64**	**227.31**	**195.26**	**176.54**	**154.00**	**132.00**	**22.00**
(1CW6R)	***3.11***	***2.76***	***3.13***	***2.67***	***3.45***	***4.95***	***4.25***	***3.84***	***3.35***	***2.87***	***0.48***
SCW6R	140.29	124.43	141.40	120.39	156.14	224.81	192.76	174.04		128.00	
(1Feed 6R)	*3.05*	*2.71*	*3.08*	*2.62*	*3.40*	*4.89*	*4.20*	*3.79*		*2.79*	
SAMPLE SCW6R	137.79	n/a	138.90	117.26	153.64	222.31	190.26	171.54		124.00	
(2Feed)	*3.00*		*3.02*	*2.55*	*3.35*	*4.84*	*4.14*	*3.73*		*2.70*	
SELECT 6R HULLESS	-	-	-	112.00	145.27	n/a	n/a	166.74		122.00	
				2.44	*3.16*			*3.63*		*2.66*	

DATASOURCE CANADIAN WHEAT BOARD AUTHOR'S ESTIMATES

U.S. LOAN RATES, NATIONAL AVERAGE VS EFFECTIVE RANGE & MARKET PRICE

(US or Cdn. dollars)

	Base Grade	NATIONAL AVERAGE LOAN RATE 98/99 US$/Bu.	99/2000 US$/tonne	99/2000 C$/tonne	99/2000 US$/Bu.	99/2000 US$/cwt	99/2000 LOAN RATE Minnesota US$/Bu.	N. Dakota US$/Bu.	N. Dakota Market Oct/Nov/99 US$/Bu.	C$/tonne
Wheat	all #1	2.58	94.80	139.36	2.58		2.65-2.99	2.43-2.77	2.59	139.90
Barley	#2+	1.56	71.65	105.32	1.59		1.35-1.55	1.35-1.44	2.00	135.03
Barley	Feed								1.35	91.15
Barley	Malting								2.25	151.91
Oats	#3+	1.11	71.97	105.80	1.13		1.01-1.21	0.99-1.11	0.90	85.79
Corn	#2+	1.89	74.40	109.37	1.89		1.69-1.84	1.69-1.84	1.58	91.43
Soybeans	#2+	5.26	193.27	284.11	5.26		4.87-5.18	4.67-4.94	4.14	223.62
Rye									1.22	70.60
		US$/cwt	US$/tonne	C$/tonne	US$/Bu.	US$/cwt	US$/cwt	US$/cwt	US$/Bu.	C$/tonne
Sorghum	#2+	3.11	68.56	100.79		3.11	2.72-2.79	2.72-2.80		
Flaxseed		9.30	205.03	301.39	5.21	9.30	9.39-10.11	8.94-10.11	3.65	211.22
Canola		9.30	205.03	301.39	4.87	9.30	8.79-9.50	9.36-10.01		
Rapeseed		9.30	205.03	301.39	4.87	9.30	7.20-8.03	8.03-8.99		
Crambe			193.34	284.21		8.77	7.66-8.86	8.54-9.18		
Mustardseed		9.30	205.03	301.39		9.30	8.30-9.24	9.11-9.30		
Safflowerseed		9.30	205.03	301.39		9.30	6.82	6.82	$/cwt	C$/tonne
Oil Sunseed		9.30	205.03	301.39		9.30	9.16-9.85	8.71-9.50	6.00	194.45
Other Sunseed		9.30	205.03	301.39		9.30	8.73-9.52	8.74-9.52	13.00	194.45

(Datasource: USDA; C$ at 1.47 exchange)